

CORPORATE GOVERNANCE REPORT

STOCK CODE : 3883
COMPANY NAME : Muda Holdings 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 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 primary responsibility of the Board is to provide stewardship and directions for the management of the Group which includes reviewing and approving strategic plans and key business initiatives, corporate governance, internal control frameworks and promote a sound corporate culture which reinforces ethical, prudent, and professional behaviour. While the board sets the strategic planning and policies, the Executive Directors are responsible for implementing the operational and corporate decisions with the Independent Directors ensuring corporate accountability by providing unbiased and independent view and judgement and challenged Management's assumption and projections in safeguarding the interests of shareholders and investors. The Board amongst others, assumes the following key roles and responsibilities: i. Review and approve the Group's overall strategy, vision, mission, objectives, core values and governance framework of the Group. ii. Evaluate, approve, and monitor new investments, divestments, major capital expenditure and operating expenditure, capital management and major funding activities including the issue of securities; iii. Evaluate performance delivery against expected performance by constantly reviewing operating procedures to ensure the financial well-being of the Company is in an optimum state; iv. Reviewing and approving the Company's annual budget, financial statements, system of risk management and internal control, code of conduct and legal compliance; v. Set the Company's enterprise risk management framework, review major risk exposure and ensure that appropriate risk

	mitigation plan is in place and consider risk factors for major project. vi. To promote sustainability through appropriate environmental, social and governance considerations in the Group's business strategies and ensure that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental and social consideration underpinning sustainability; vii. Delegating appropriate powers to the executive directors and senior management to ensure that the effective day-to-day management of the business and monitoring the exercise of these powers; viii. Ensuring that employees at every level of the Company act legally, ethically and responsibly on all matters; and ix. Ensuring the prevalence of corporate accountability that benefit shareholders through the adoption of effective shareholder communication strategy and by encouraging effective participation at general meetings. In discharging its fiduciary responsibilities, the Directors deliberate and review the financial performance, execution of strategic plans/investments/projects, the principal risks faced and the effectiveness of management mitigation plans and integrity of management information and systems of internal control of the Group. In the financial year 2024, the Board of Directors: a) monitored the performance of operating units and measured achievements against budgets; b) reviewed and approved quarterly financial results for announcement to Bursa Malaysia Securities Berhad; c) considered and approved major investments in a steam biomass plant and outthrow facility to reduce production cost and these two projects are aligned with the sustainable goals adopted by the Company. d) reviewed and approved the Group's financial budget, monitored the Group's gearing and debt service cover ratios; and e) accepted the Audit Committee's review of risk management reports, internal audit reports and recurrent related party transactions. To ensure the effective discharge of its functions and responsibilities, the Board delegates the implementation and monitoring of business and operational initiatives, risk management and internal controls system to the Management and the Board is constantly updated on significant operational and regulatory challenges faced.
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	In furtherance of the Board’s governance role and for the effective discharge of the Board’s functions and responsibilities, Board Committees namely, the Audit Committee, Nomination Committee, Remuneration Committee and Sustainability Committee have been established. These Board Committees operate under their clearly defined terms of reference. The Chairman of the respective Committees reports to the Board on the outcome of deliberations of the Committee meetings.	
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	The Chairman of the Board is responsible for the leadership and governance of the Board, ensuring effectiveness, orderly conduct and working of the Board. The responsibilities of the Chairman include, amongst others, the following: (i) Lead the Board in setting the values and standards of the Company. (ii) Lead the Board in adopting and implementing corporate governance best principles and practices. (iii) Maintain a relationship of trust between Executive Directors and NEDs. (iv) Ensure the supply of accurate, timely and adequate information to the Board. (v) Ensure effective communication with shareholders and other stakeholders and that their views are communicated to the Board. (vi) Act as a facilitator before and during Board meetings to ensure: • Adequate notice is given to convene meetings; • Appropriate number of agenda items and prioritization are set to enable effective board deliberations; • Adequate information is supplied to the Board; • No individual or group of individuals dominate Board discussions; • Variety of opinion among Board members are drawn out; • Consensus is achieved in Board decisions; and when necessary, to call for vote to ensure the will of the majority prevails;

	• Sufficient time is allowed for discussion of complex or contentious issues, and where appropriate, arranging for informal meetings beforehand to enable full preparation for Board discussions; and • Issues discussed at Board meetings are forward looking focusing on strategy and policy. (vii) Lead annual evaluation of the Board, Board Committees, and individual Directors. (viii) Ensure effective contribution from NEDs and ensure constructive relationships are maintained between Executive Directors and NEDs. (ix) Delegate responsibilities to other Directors, Board Committees and Senior Management. (x) Chair all general meetings of the Company. The roles and responsibilities of the Chairman have been clearly specified in the Board Charter, which is available on the Company's website at www.muda.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

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	:	The Board is chaired by Tan Sri Lim Guan Teik who is a Non-Independent Non-Executive Chairman while the management of the Company lies with the Managing Director, Datuk Wira Lim Chiun Cheong. The position of the Chairman and Managing Director are separately held to ensure balance of power and accountability and division of roles and responsibilities of the Board and the management of the Group's business and operations. The day-to-day management of the Group's business and operations is led by the Managing Director together with the Executive Deputy Chairman and Senior Management.
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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	Currently, the Chairman of the Board is also a member of the Audit Committee, Nomination Committee and Remuneration Committee. The Nomination Committee was of the view that even though the Chairman of the Board is also a member of the Audit Committee, Nomination Committee and Remuneration Committee, he has not dominated or exerted any undue influence in the proceedings of any of the committee meeting of which he is a member. The Chairman of the Board also abstained from discussion and decision making in any of matters raised of which he feels that he may be in a position of conflict. In addition, the Chairman of the Audit Committee, Nomination Committee and Remuneration Committee have always displayed strong leadership in these committees, allowed dissenting views to be freely expressed and has led the committees to perform their responsibilities effectively without interference from the Chairman of the Board. Other members of these committees have also played an active role in deliberation and decision making at these committee meetings and were not cowed by the Chairman of the Board.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

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	:	During the financial year 2024, the Board was supported by a qualified company secretary who is a member of Malaysian Association of Institute of Chartered Secretaries and Administrators. She played an advisory role and is a source of information and advice to the Board and its Committees on issues relating to the Company's Constitution, Board policies and procedures, corporate governance matters, compliance with laws, procedures, codes, guidelines, legislations, and regulations affecting the Group. All Directors have unrestricted access to the advice and service of the Company Secretary to ensure effective functioning of the Board and its Board Committees, and adherence to Board policies and procedures. The Company Secretary attends all Board and Board Committee meetings and ensure that Board procedures and policies are met. They are accountable to the Board, through the Chairman, on all matters relating to the proper functioning of the Board and works closely with the Chairman to manage the flow of information between the Board, its Committees and Management across the Group. The Company Secretary also facilitate the communications of key decisions and policies between the Board, Board Committees and Management. The Company Secretary also play an important role in assisting the Chairman of the Board in the conduct of general meetings. During the financial year, the fully virtual 53rd Annual General Meeting (53rd AGM) of the Company was successfully conducted on 27 June 2024 in compliance with the Company's Constitution as well as the relevant laws, regulations, and guidelines. The Company Secretary also advises the Board at the beginning of each calendar year, the closed periods for dealings in shares of the Company based on targeted dates of announcements of the Group's quarterly financial results. The Company Secretary assist the Board and Board Committees in the review of the Board Charter and Terms of Reference of the Audit Committee, Nomination Committee, Remuneration Committee, Sustainability Committee and the Executive Committee. The Company Secretary attends all Executive Committee meetings and

	keep record of attendance and minutes of Executive Committee Meetings, follow-up on the decisions and recommendations made and communicate relevant decisions to Management for appropriate actions. The Company Secretary is also responsible for ensuring communication flows between the Board and its Committees, and between Management and Independent and Non-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	:	<table border="1"> <tr> <td></td><td></td></tr> </table>		

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	:	Board and Board Committee meetings are scheduled in advance in consultation with the Directors to ensure optimal attendance. Ad hoc Board and Board Committee meetings are convened as and when warranted by particular circumstances between these schedule meetings. For the financial year ended 31 December 2024, five (5) Board meetings were held. To facilitate productive and meaningful Board and Board Committee meetings, the Notice of Board Meetings containing the agenda are sent to Directors at least fourteen (14) calendar days ahead of a board and committee meeting. Comprehensive management reports and proposal/project papers are furnished to all Directors, either digitally or in hard copies, at least five (5) business days ahead of each Board and Committee meeting to provide ample time for the Directors to review issues that are to be deliberated at these meetings. Management is invited to the Board and Board Committee meetings to present the subject matters, wherever necessary. Board meetings are conducted based on a formal agenda on matters to be discussed with adequate time allocated for deliberation and the Chairman of the Board chairs the meetings with proper record of minutes kept by the Company Secretary. Minutes of all Board Committee meetings were also circulated to Board Members so that they are kept abreast of proceedings and matters discussed at such meetings.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	The Board has adopted a Board Charter which sets out how its role, powers, and responsibilities are to be exercised, having regards to principles of good governance, best practices, and applicable laws. The Board Charter upholds high standard of governance and clarifies, amongst others, the roles and responsibilities of the Board and serves as a general statement of intent and expectation in discharging its duties and responsibilities. The Board Charter also outlines the procedures and practices for an effective Board. The Board periodically reviews and update the Board Charter in accordance with the needs of the Company and any regulation that may bring an impact in the corporate governance practices of the Company and the responsibilities of the Board in discharging its governance function. The Board Charter was last reviewed and updated in April 2024. The Board keeps itself abreast of the responsibilities delegated to each Board Committee, and matters deliberated at each Board Committee meeting through the minutes of the Board Committee meetings and reports from the respective Board Committee chairman, which are presented to the Board during Board Meetings at the appropriate regular intervals. The Board has identified Mr Wong Choong Yee to be the Senior Independent Directors who acts as:- a. a sounding board for the Chairman; b. an intermediary for other Directors where necessary; and a point of contact for shareholders and other stakeholders; and c. a designated contact for shareholders and other stakeholder when the normal channel of communication with the Chairman or the Managing Director is inappropriate or inadequate. The Board Charter can be viewed on the Company's website at www.muda.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 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	:	In discharging their duties and responsibilities, the Directors are guided by a high standard of ethical behaviour in accordance with the Code of Business Conduct and Ethics. The Code of Business Conduct and Ethics sets out Directors' oversight responsibility to act in the best interest of the Company within the scope of their authority and fiduciary obligations to all its stakeholders. Directors must avoid their personal or business interest – whether directly or indirect – to conflict with the interests of the Company. If a conflict arises, Directors must promptly disclose such interest by submitting a written notice that details such interest or nature of conflict, thus recusing himself/herself from participating in any discussion and/or decision where the conflict of interest arises. At the beginning of each calendar year, all Directors make written disclosure of their interest and position in corporations and firms pursuant to Section 221(4) of the Companies Act, 2016 which were duly read and noted at the first Board of Directors' Meeting of a calendar year. The Company has established and implemented an Anti-Bribery and Anti-Corruption Policy which governs the prevention of corruption and unethical practices within the Company and in compliance with the Malaysian Anti-Corruption Commission Act, 2009.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

The 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 Group has adopted a Whistleblowing Policy with well-defined procedures to enable employees and other stakeholders to report their concerns freely without fear of reprisal or intimidation. The Whistleblowing Policy encourages employees to report genuine concerns in relation to breach of legal obligation (including negligence, criminal activity, breach of contract or breach of law), miscarriage of justice, danger to health and safety or to the environment and the cover-up of any of these in the workplace. Individuals would be able to report a violation to the Chairman of the Whistleblowing Committee in confidence and without the risk of reprisal. Under the Whistleblowing Policy, a whistleblower will be accorded with protection of confidentiality of identity, to the extent reasonably practicable. The Whistleblowing Policy & Procedures is embedded in the Group's Employment Manual. There were no reports of malpractices and misconduct during the 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

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 provides strong leadership to ensure that sustainable economic, environmental, and social ('ESG') initiatives are integrated in strategic planning and risk management. The Board alongside the Management is responsible for Group-wide sustainability management and setting the Group's sustainability strategies to ensure that the strategic plan supports long term value creation and goals. The Board is ultimately accountable for managing sustainability matters of the Group. It ensures the development and implementation of strategic plans for the Group is effective and takes into account sustainability considerations. The Board has oversight on the material risks and how they should be addressed across the Group's business through the development of long-term strategies, policies, processes, and initiatives to address key sustainability risks and opportunities. The Board also reviews and approves sustainability statement for publication in the Company's Annual Report. The Board is supported by the Sustainability Committee which is led a Non-Independent Non-Executive Director as Chairman, the Executive Deputy Chairman and the Managing Director. The Committee is responsible for the overall sustainability initiatives and performance, and ensuring the Group's strategies, goals and principles are aligned with its commitment toward sustainability. In supporting the Board in driving sustainability efforts within the Group, the Sustainability Committee sets the approach to sustainability, covering Economic, Environment, Social and Governance performance and identified and managed material sustainability risks and opportunities and reinforce the Company's commitment to balancing business growth with responsible corporate practices for adoption by the Board. It also oversees the formulation, implementation, and effective management of the Group's sustainable

	strategies. In discharging its duties, the Sustainability Committee review the sustainability commitment and performance, tracked the reporting mechanism and data collection processes and endorsed the operational initiatives formulated to drive the progressive achievement of the Group’s sustainability objectives, with progress and key developments escalated to the Board accordingly. In 2024 the Company included a rigorous climate risk assessment aligned with the Task Force on Climate-Related Financial Disclosures and IFRS S2 frameworks.	
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 recognises that stakeholders' engagement, assessment, and feedback are an integral part of the Group sustainability strategy and initiatives. The Group has identified the key stakeholders, areas of focus and the engagement methods and frequencies with these key stakeholders to understand the key stakeholders' concerns and issues raised and provide suitable solutions where relevant. The Group's engagement channels with its internal and external stakeholders, which include but not limited to physical and virtual meetings or emails through investor relation interactions. The Sustainability Statement in the Annual Report 2024 of the Company which is available on the Company's website at www.muda.com.my provides comprehensive description of the Group's stakeholders engagements, sustainability management and performance, as well as insights into the Group's ESG strategies, initiatives, commitments, and targets.
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	:	The Board holds the utmost responsibility for driving and overseeing sustainability efforts, sets the strategic direction for the Company's sustainability issues, maintains oversight of climate-related and sustainability-related issues, leverages collective expertise to guide decision-making and ensures sustainability principles align with industry best standards. During the financial year, the Board members were briefed on the sustainability reporting gap assessment by an external consultant engaged by the Company. The Board members reviewed and approved the climate risk assessment report which were aligned with the Task Force on Climate-Related Financial Disclosures and IFRS S2 frameworks. Directors are encouraged to attend training, webinars, or any other professional development programmes in relation to sustainability issued relevant to the Group and its business, as a way of staying abreast of sustainability development and enhance their ESG competency.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	The annual performance evaluation of the Board and Board Committees in 2024 has included a review of performance of the Board and senior management in addressing material sustainability issues.	
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	:	The Board holds the utmost responsibility for driving and overseeing sustainability efforts, sets the strategic direction for the Company's initiatives, maintains oversight on climate-related and sustainability issues, leverages collective expertise to guide decision-making and ensures principles align with industry best practices. The Sustainability Committee chaired by a Non-Independent Non-Executive Director and led together with the Executive Deputy Chairman and Managing Director supports the Board in driving sustainability efforts within the Group and provides oversight and guidance to ensure sustainability is embedded in business strategies. is responsible for the overall sustainability management of the Group including setting up sustainability strategies, plans and initiatives, goals, and targets, and analysing sustainability risks and opportunities. The Sustainability Committee oversees the sustainability efforts and advises the Board on sustainability related matters and is supported by the Managing Director and the various function heads. The Sustainability Reporting Working Group which comprised of Head of Business Unit, Senior General Managers/General Manager monitors and guides sustainability performance across MHB's business portfolio, works closely with the Sustainability Committee to translate sustainability goals into concrete actions and comprises experts and key stakeholders to ensure robust execution of sustainability initiatives.

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	:	The Nomination Committee conducts annual review of the composition of the Board and tenure of each Director to ensure appropriate diversity of skills, gender, and attributes. The Constitution of the Company provides that at every Annual General Meeting ("AGM") of the Company, one-third of the Directors for the time being or if their number is not three or a multiple of three, then the number nearest one-third shall retire from office and shall be eligible for re-election. New Directors are subject to re-election at an AGM in the year following their appointment. Retiring Directors who are seeking re-elections are subject to Directors' performance assessment overseen by the Nomination Committee. In line with Paragraph 15.01A of the MMLR, a formal Directors' Fit & Proper Policy was adopted in June 2022 which serves as a guide for appointment and re-election of Directors to assist the Nomination Committee in the discharge of their duties and functions in the Board's nomination and re-election process of Directors. The Directors' Fit & Proper Policy is available on the Company's website at www.muda.com. In the annual evaluation for FY 2024, the Board and its Nomination Committee expressed satisfaction that the current size of the Board is adequate to ensure effective board governance and decision-making and that the current Board members have the required range of talents, experience, and knowledge to accomplish its roles and a diversity of background and distinguished records of leadership to make substantial contributions to the effective functioning of the Board. A majority of the board members have at least one committee assignment. The Nomination Committee after taking into consideration the satisfactory performance and contributions of the following directors based on the outcome of the Nomination Committee review of the assessment period from 1 January 2024 to 31 December 2024, and being satisfied with their fitness and propriety with reference to the Directors' Fit & Property adopted by the Company, recommended their re-election under Article 81 of the Company's Constitution for the Board's consideration:

	(i) Dato'Azaman Bin Abu Bakar; and (ii) Ms Lim Yen Wee. All the Directors seeking re-election at the 53 rd AGM held in 2024 have submitted to the Company their fit and proper confirmation.	
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 5.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	As at 31 December 2024, the Board has eight (8) members, comprising two (2) executive members and six (6) non-executive members, three (3) of whom are independent and the Independent Non-Executive Directors accounted for 37.5% of the Board members. Cognizant of the recommendation by the Malaysian Code on Corporate Governance for the Board to comprise at least half of independent directors, the Nominating Committee is constantly assessing the composition and size of the Board to ensure it meets the needs of the Company. Nevertheless, the Nominating Committee is of the opinion that the current Board size and composition is appropriate to meet the scope and nature of the Group's operations as well as to facilitate effective decision-making. The Board comprises of six (6) non-executive directors and two (2) executive directors. This composition of more non-executive directors is to provide a further check and balance to the decisions of the Executive Directors, allowing for more effective oversight of Management besides ensuring that the interests of all shareholders and stakeholders are considered.
<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	:	Not applicable - Step Up 5.4 adopted	
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

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	:	Adopted									
Explanation on adoption of the practice	:	The Board has in place a 9-year tenure policy for Independent Directors by limiting the tenure of Independent Directors to nine (9) years without further extension. All the Independent Directors currently serving on the Board are less than nine (9) years. The tenure of Independent Directors as at 31 December 2024 are as set out below: <table><tr><th colspan="3">Tenure of Independent Directors as at 31 December 2024</th></tr><tr><td>Tenure</td><td>< 3 years</td><td>> 3 - 6 Years</td></tr><tr><td>Number of Independent Directors</td><td>2</td><td>1</td></tr></table>	Tenure of Independent Directors as at 31 December 2024			Tenure	< 3 years	> 3 - 6 Years	Number of Independent Directors	2	1
Tenure of Independent Directors as at 31 December 2024											
Tenure	< 3 years	> 3 - 6 Years									
Number of Independent Directors	2	1									

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 Nomination Committee has established a procedure for sourcing and selection criteria of directors. In selecting and assessing the candidate for Board appointment, the Nomination Committee places emphasis on the candidate's qualification, character, skills, expertise, experience, professionalism, integrity, competence, and time availability. Additionally, the candidate is also evaluated on his/her knowledge of the Company's business/industry, compatibility with other Board members and willingness to devote time and effort to the Board and considering an appropriate mix of core competencies for the Board to fulfil its roles and responsibilities. The Directors' Fit and Proper Policy serves as a guide for appointment and re-election of Directors to assist the Nomination Committee in the discharge of their duties and functions in the Board's nomination and re-election process of Directors. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities. All the current Directors of the Company do not hold existing board position in more than five (5) listed companies. The Directors were committed in carrying out their duties and responsibilities as reflected by their full attendance at the Board meetings held during the financial year ended 31 December 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	:	

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 in identifying candidates for appointment of Directors will ensure that the best quality candidates, taking into consideration their character, knowledge, capabilities, professionalism, integrity, expertise, experience and competency, and time commitment are appointed. To this end, the Nomination Committee may rely on recommendations and referrals from existing Board members, Management, and major shareholder; and where appropriate and necessary, utilised independent search firms and other independent sources to identify suitably qualified candidates who meet the skill sets and requirements of the Board. All identified candidates are objectively evaluated by the Nomination Committee before recommending to the Board for approval.
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	:	The profiles of Directors are published in the Annual Report 2024 and which states their age, gender, date of appointment, directorships in other public companies, working experience and any conflict of interest whilst their interest in shares are disclosed in the Analysis of Shareholdings in the Annual Report 2024. The proposed appointment of new Board member (other than those nominated by shareholders for appointment at general meeting) and the proposed re-election of existing Directors who are seeking re-election at the AGM of the Company will be reviewed and assessed by the Nomination Committee. The Nomination Committee, will, upon its review and assessment, submit its recommendation to the proposed appointment or re-election of Directors to the Board for approval. Shareholders are notified of the appointment of new Board members with detailed information on the new appointed director via announcement to Bursa Securities as well as through the Company's website. The Board has not recommended any appointment of new director and retention of independent Director to shareholders for approval during the financial year under review, save for the re-election of Directors. The names of the Directors seeking for re-election at the Annual General Meeting were disclosed in the Notice of 53rd AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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 Nomination Committee is chaired by Mr Wong Choong Yee, the Senior Independent Non-Executive 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

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 has two (2) female Non-Independent Non-Executive Directors on the Board forming 25% of the Board composition and is in compliance with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which requires that one (1) director of a listed issuer is a woman.
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	:	Applied
Explanation on application of the practice	:	The Board recognises the importance of diversity in terms of a broad range of skills and competencies, experience, background, and gender to ensure its effectiveness, which in turn lead to long term success of the Group. The Board has in place a policy that the Board shall have at least one (1) women Director in its Board composition which is incorporated into the Board Charter.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 6.1

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

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

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, through the Nomination Committee reviews annually, the effectiveness of the Board as a whole and the Board Committees, as well as the performance of individual Directors. The Nomination Committee is responsible for assessing the contributions of each Director and overall effectiveness of the Board on an on-going basis. The Board through the Nomination Committee and with assistance from the Company Secretary undertook a formal review of the Board performance and that of its Board Committees in 2024. Board members were required to review and complete a comprehensive questionnaire. The aim of the review was to assess the effectiveness of the Board, both as a collective unitary Board, and at individual board member level, to implement any actions required to become a more effective Board. The performance of each of the Board Committees were also assessed. To ensure unbiased assessment, the Company Secretary distributed the questionnaire to each Director and collated the results for review by the Chairman of Nomination Committee. The Chairman of the Nomination Committee submits a report on the results of the evaluation to the Board for further discussions on areas of improvement and adopt the necessary action for improvement, if any. Based on the results of the evaluations for the financial year ended 31 December 2024, the Board concluded that the Board as a whole was effective and was of the right size, mix of skills, expertise, and diversity. The Board composition was also well balanced and its committees have been effective in discharging their duties and responsibilities in accordance with their terms of reference and that each of the Directors possess the required competence and character to manage the Group's affairs and create value for the organisation and its stakeholders. The Independent Directors continued to demonstrate conduct and

	behaviour that were essential indicators of independence and that each of them was independent of the Company's management and free from all business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company. As the feedback of all areas under evaluation for the Board and its Committees were generally satisfactory, no apparent shortcoming had been identified.	
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	:	The Remuneration Committee reviews the remuneration of the Directors and Senior Management annually and submitted its recommendations to the Board on specific adjustments and/or reward payments that reflected their respective contributions throughout the year, and are also competitive and in tandem with the Group's objective to ensure that the level of remuneration of Senior Management commensurate with the skills and responsibilities expected. The Remuneration Committee and the Board ensure that the remuneration package for the Directors is competitive to attract and retain Directors of high calibre who possess the necessary skills and experience. A key element of the remuneration policy is to structure the component of remuneration for Executive Directors by linking rewards to financial performance and long-term objectives of the Group aside from individual performance. As such, the remuneration package for Executive Directors takes the form of basic salary, fees, allowances, bonuses, and other benefits-in-kind payments. On the other hand, the remuneration of Non-Executive Directors is linked to their level and quality of contribution and their respective responsibilities, including attendance and time spent at Board meetings and Board Committee meetings. Their remuneration package comprises fees, attendance allowances and benefits-in-kind that commensurate with their roles, duties, and responsibilities. Fees and benefits payable to Non-Executive Directors by the Company and its subsidiaries are subject to yearly approval of shareholders during the Company's Annual General Meeting.
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 7.2

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	:	The Remuneration Committee reviewed the recommendations for bonus and salary increment of senior management for approval of the Board and reviewed the remuneration package of the Executive Directors and made recommendations for the Board's approval. The roles and responsibilities of the Remuneration Committee are governed by the Terms of Reference and is available on the Company's website at www.muda.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

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 detail disclosures of the Directors' remuneration are as set out in the table below.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Azaman Bin Abu Bakar	Executive Director	60	-	1,716	280	86	53	2,195	176	-	1,716	280	86	93	2,351
2	Datuk Wira Lim Chiun Cheong	Executive Director	60	-	1,548	280	49	275	2,212	282	-	1,548	280	49	358	2,517
3	Tan Sri Lim Guan Teik	Non-Executive Non-Independent Director	60	-	-	-	30	193	283	153	-	480	-	30	217	880
4	Dato' Hazli Bin Ibrahim	Independent Director	60	-	-	-	-	135	195	60	-	-	-	-	135	195
5	Mr Wong Choong Yee	Independent Director	60	-	-	-	-	135	195	60	-	-	-	-	135	195
6	Ms Lim Siew Ling	Non-Executive Non-Independent Director	60	-	-	-	-	50	110	92	-	277	42	11	178	600
7	Ms Lim Yen Wee	Non-Executive Non-Independent Director	60	-	-	-	-	50	110	177	-	213	73	17	167	647
8	Dato' Tan Tian Meng	Independent Director	60	-	-	-	-	135	195	60	-	-	-	-	135	195

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	:	Applied	
Explanation on application of the practice	:	The disclosure of remuneration of the top two senior management in the Company in bands of RM50,000.00 are set out in the table below.	
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	Dato' Azaman Bin Abu Bakar	Executive Deputy Chairman	1,700,001-1,750,000	0-50,000	250,001-300,000	50,001-100,000	50,001-100,000	2,100,001-2,150,000
2	Datuk Wira Lim Chiun Cheong	Managing Director	1,500,001-1,550,000	0-50,000	250,001-300,000	0-50,000	250,001-300,000	2,150,001-2,200,000

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	The detailed remuneration of two senior management is disclosed in the table below.

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Dato' Azaman Bin Abu Bakar	Executive Deputy Chairman	1,716	-	280	86	53	2,135
2	Datuk Wira Lim Chiun Cheong	Managing Director	1,548	-	280	49	275	2,152

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 Audit Committee comprises of four (4) Non-Executive Directors, three (3) of whom are Independent Directors. The Chairman of the Audit Committee is held by Dato' Hazli Bin Ibrahim, who is not the Chairman 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

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	:	None of the Audit Committee are former partners of the Company's external auditors or its affiliate firm. The Terms of Reference of the Audit Committee stipulated that "no former key audit partner shall be appointed as a member of the Audit Committee until the lapse of at least three (3) years' cooling-off period.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	The Audit Committee carries out the assessment procedures annually to determine the suitability, objectivity and independence of the external auditors including the quality and performance of their audit to ensure the external auditors are independent of the activities they audit, free from any business or other relationships with the Group that could materially interfere with their ability to act with integrity and objectivity. Areas of assessment include technical competencies, time commitment, audit scope and planning, audit and non-audit fees and communication to the Audit Committee. The annual assessment also ensures that provision of other non-audit services by the external auditors is not in conflict with their audit function. The external auditors provide mainly audit-related services to the Group and also undertake certain non-audit services such as review of Statement on Risk Management and Internal Control and other services as and when requested by the Group. During the financial year ended 31 December 2024, the Audit Committee undertook review of the independence of external auditors and gave careful consideration to the Group's relationship with them. In determining the independence of external auditors, the Audit Committee reviewed various aspects of their relationship with them including the nature and amount of the non-audit services paid to external auditors for the financial year ended 31 December 2024 and the corresponding fees. The review showed that the non-audit fees did not impair or threaten the audit independence of external auditors as such amount is not significant as compared to the total audit fees paid to external auditors. Based on the review, the Audit Committee is satisfied with the suitability and independence of Grant Thornton Malaysia PLT, the quality and competency of services delivered and sufficiency of professional staff assigned for the annual audit for the financial year under review and the Board has in April 2025 approved the Audit Committee's recommendation on the re-appointment of Grant Thornton Malaysia PLT for shareholders' approval at 54th AGM.

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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 Board conducts annual evaluation to review the composition, terms of office and performance of the Audit Committee and each of its members in accordance with Paragraph 15.20 of the Listing Requirements of Bursa Securities. The Audit Committee has four (4) members, a majority of whom are Independent Non-Executive Directors. The Audit Committee members are qualified individuals; where two (2) members who are qualified accountants, a member who is a pioneer in the paper industry and another who is an engineer with extensive experience in the construction business. The Chairman and members of the Audit Committee are financially literate and can understand, analyse, and objectively review and make recommendations on matters under their purview of the Audit Committee, including the financial reporting process. Their qualifications and experience are disclosed in the Profile of Directors in the Annual Report 2024. A summary of the Audit Committee's activities during the financial year is set out in the Audit Committee Report in the Annual Report 2024. Based on the outcome of the evaluation carried out by the Board on the performance of the Audit Committee and each of its members for the financial year under review, the Board is satisfied that the Audit Committee has carried out its duties and responsibilities effectively as per its Terms of Reference and the Audit Committee as a whole and each member of the Audit Committee possesses the necessary knowledge, experience, expertise and skills which have added value and contributed to the overall effectiveness of the Audit Committee. All Audit Committee members are expected to devote sufficient time to

	update their knowledge and enhance their skills through appropriate continuing education programmes, so as to enable them to sustain their active participation during deliberations. The Audit Committee is regularly briefed and updated by the Chief Financial Officer and the external auditors on key changes in relation to accounting and financial reporting standards.	
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 Board has established an effective risk management and internal control framework to manage the risk of failure to achieve the Group's corporate objectives as well as safeguarding shareholders' interests and the Group's assets but not with absolute assurance against material misstatement of financial information and records or against financial losses or fraud. The Board continuously reviews and examines the effectiveness and efficiency of the risk management framework and internal control system in areas such as financial, operational and compliance risk, and seek alternative ways for improvement should any weakness be detected and identified. The Group has established a process to identify, evaluate and manage significant risk which has been integrated and embedded into the Group operations by continuously reviewing its adequacy and effectiveness to safeguard shareholders' investment and Group assets. In this regard, the Group adopts a top-down as well as bottom-up approach on risk management to ensure the strategic, business, operations, financial reporting and information technology ("IT") risk exposures are identified and appropriately managed. Formal reviews of the adequacy and effectiveness of risk management and internal control systems, including financial, operational and IT controls were conducted twice a year. Half-yearly risk management reports were submitted by Management to the Audit Committee on review of the adequacy and effectiveness of its risk management and internal control for further review. Outcome of the reviews were reported to the Board to ensure swift measures were taken to mitigate and manage such risks. The Group adopts a structured and integrated approach to the management of significant risks, and involves the identification and assessment of risks that may affect the achievement of the Company's objectives, formulation of action plans, as well as monitoring and reporting of the risks on a regular basis. In the course of the statutory audit, the Company's external auditors has carried out an assessment of the risks of material misstatement in financial statements of the Company and the Group –whether due to fraud or error – by highlighting any material internal control weaknesses that it has come across during the conduct of normal audit

	procedures which are designed primarily to enable it to express its opinion on the financial statements. Any material internal control weaknesses that are identified during the audit process – along with the appropriate recommendations – will be reported to the Audit Committee. Based on the internal control system made available by the Group, work performed by both the internal auditor and external auditors and reviews conducted by the Management and various Board Committees as well as assurances from the Managing Director and the Chief Financial Officer, the Board is of the opinion that the Group's risk management and internal control were adequate and effective for the financial year ended 31 December 2024 to address financial, operational, compliance and IT risks which the Group considers relevant and material to its operations. Further details of the Group's approach to risk management and internal controls are available in the Statement on Risk Management and Internal Control in the Annual Report 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	:	

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 is assisted by the Audit Committee and the board members of subsidiary companies in overseeing the Group's risk management and internal control system. Risk Management Framework is implemented whereby major and active subsidiaries in the Group are required to carry out their individual risk assessment and manage in accordance with the Framework. Companies in the Group are required to identify and assess the risks and score it at gross and residual level based on the likelihood of occurrence and potential impact. These risks identified are broadly grouped into Strategic Risk, Operational Risk, Financial Risk and Compliance Risk and the outcome of the process is documented into a half yearly risk management report to the Board of Directors. The Directors have relied on the following reports/documents to assess the state of risk management and internal control in the Group: a) Half yearly Risk Management Reports submitted by all operating subsidiaries which were reviewed by the Audit Committee with the participation of the Executive Directors and senior management; b) The Register of Key Risks reported by operating subsidiaries in the Risk Management Reports; c) The principal risks extracted from the Group Risk Register in the Statement of Risk Management and Internal Control 2024 together with explanation on associated mitigating measures planned and implemented by the Group in 2024; d) The Control Self-Assessment Questionnaires for financial year ended 31 December 2024 submitted by seventeen (17) subsidiary companies were reviewed by the Internal Audit Department and reported to the Audit Committee on 26 February 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 10.3 - 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	:	The Board has established an in-house Internal Audit Department to perform the internal audit function. The Internal Audit Function is independent of the operations of the Group and reports directly to the Audit Committee to ensure independence. It also provides reasonable assurance that the Group's internal control and risk management and governance are operating effectively. Adopting the framework based on the International Standards for the Professional Practice of Internal Auditing, the Head of the Internal Audit Department has assured the Board that the Group has established a sound system of internal control and that the internal control system is currently functioning satisfactorily. The Internal Audit Department conducted independent internal audit reviews on a pre-approved plan including review of related party transactions in the financial year under review, and all internal control deficiencies identified were reported to the appropriate levels of Management for timely corrective actions. The internal audit reports were presented to the Audit Committee for review and deliberations on a quarterly basis. The Audit Committee was briefed on the audit findings, management responses to the findings and the recommended corrective measures as well as the status of previous audit findings. The Internal Audit Department undertakes audit work as set out in the Annual Audit Plan approved by the Audit Committee. This is done by monitoring, analysing, and assessing the risks and controls within the Group as well as reviewing the Group's compliance with both internal policies and statutory/regulatory requirements. The activities of the Internal Audit Department during the financial year under review are set out in the Audit Committee Report in the Annual Report 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	:		

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	:	The Internal Audit Department is headed by the Internal Audit Manager who reports directly to the Audit Committee. The Internal Audit Manager is a holder of an Advanced Diploma from Association of Chartered Certified Accountants and is supported by a suitably qualified internal audit executive. The Internal Audit Manager has declared to the Board that the internal audit personnel have no direct operational responsibility or authority over any of the activities audited and are free from conflict of interest and interference by any element in the organization that might impair professional independence and objectivity. The Internal Audit Manager also provided assurance to the Board that the Group has established a sound system of internal control and that the Group's internal control system has been satisfactory during the financial year under review. The internal audit functions were carried out in accordance with International Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Auditors, Malaysia. The activities of the internal audit function are guided by the Internal Audit Charter and the Annual Audit Plan approved by the Audit Committee. The internal audit function assesses the operating effectiveness of risk management and internal control system in the Group and checks for compliance with internal policies and procedures and statutory/regulatory requirements. The audit reports were tabled to the Audit Committee for review and deliberation and the Board is informed of any significant audit findings reported to the Audit Committee. The internal audit function also conducts reviews of recurrent related party transactions and submits to the Audit Committee for review. Further activities of the Internal Audit Department during the financial year under review can be gleaned from the Audit Committee Report in the Annual Report 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		

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 acknowledges the importance of timely dissemination of material information to shareholders, investors, stakeholders, and the public. As such the Board is committed to providing all stakeholders with accurate and timely information about the Company, its businesses, and its activities in conformity with the disclosure requirements under the Listing Requirements and the Corporate Disclosure Guide issued by Bursa Securities. The Board is entrusted to review and approve the relevant financial results and other important announcements to ensure full compliance with regulatory authorities' disclosure requirements. The financial statement and material and price-sensitive information are disseminated and publicly released on a timely basis to ensure effective dissemination of information relating to the Group. The Board also encourages and values dialogues with its investors and stakeholders as and when necessary. General meetings are the primary platforms for two-way interaction between shareholders and the Board, Senior Management and external auditors of the Company and to raise questions or to seek clarification on the operations and financial performance of the Group. Additionally, the Board has also made available other channels of communication whereby shareholders and members of the public can email their queries to the Company at invest-info@muda.com.my or via mail to Lot 7, Jalan 51A/241, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The Company's website at www.muda.com.my under the "Investor Relations" provides all relevant information to stakeholders and the investing community which includes all the announcements released to Bursa Securities, the Company's Annual Report, quarterly results, Board Charter, Terms of Reference of Board Committees and relevant policies of the Group and other corporate information.
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.

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 Company held its 53rd AGM on 27 June 2024 with the Notice of AGM and Annual Report 2023 issued on 30 April 2024 which is more than the 28 days' notice required. The 53rd AGM was conducted on a fully virtual basis and the Administrative Guide for the virtual AGM which provided useful information to shareholders regarding the details on remote participation voting procedures, appointment of proxy and submission of question before and/or during the live streaming of meeting was also issued and made available on the Company's website.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	To ensure effective participation of and engagement with shareholders at the virtual 53 rd AGM of the Company, all members of the Board, the Senior Management and the external auditors participated in the AGM remotely via a designated virtual meeting platform to respond to questions raised by shareholders and proxies prior to and during the meeting.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate—

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

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

Application	:	Applied
Explanation on application of the practice	:	The Company has leveraged on technology to facilitate electronic poll voting since its AGM held in 2020. The Company's 53rd AGM held on 27 June 2024 was conducted on a fully virtual basis by leveraging on technology in accordance with the Company's Constitution and the Act. The Remote Participation and Voting Facilities which was provided by Digerati Technology Sdn Bhd and hosted at https://muda-agm.digerati.com.my allowed shareholders to participate, pose questions (via real time submission of typed text) and vote remotely without physically attending the meeting. The conduct of the virtual 53rd AGM was in compliance with the Company's Constitution and Securities Commission Malaysia Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers.
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	:	The Board adheres to the recommendation under the Malaysian Code on Corporate Governance that all directors must attend general meetings. All the members of the Board attended the 53rd AGM held on 27 June 2024. During the 53rd AGM, there were interactive engagement between the Board and shareholders. Shareholders were provided with clear and easy-to-follow instructions on how to register and participate in the virtual AGM. They were also invited to send questions before the meeting in relation to the agenda items for the 53rd AGM, or via the real time submission of typed texts through the text box before the start or during the live streaming of the AGM. The questions posed were moderated to avoid repetition and made visible during the meeting. All questions raised by shareholders and proxies were adequately responded. Minutes of the 53rd AGM together with the responses to the relevant questions raised were published on the Company's website.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.5

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

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	:	The Company's 53rd AGM which was conducted on a fully virtual basis was successfully held on 27 June 2024, and was well participated by shareholders, proxies, and corporate representative. The Company used the remote participation platform at https://muda-agm.digerati.com.my provided by Digerati Technologies Sdn Bhd which has been tested to gain assurance on reliability, stability, and security to allow for a large number of participants to participate in the virtual general meeting at one time. The Company also took necessary actions to ensure that there were dedicated and sufficient internet bandwidth to support the smooth live streaming and participation by Directors, shareholders, and proxies remotely. Detailed instructions and procedures on remote participation and the e-voting process were provided in the Company's notification to the shareholders under the Administrative Guide for the 53rd AGM. Prior to commencement of e-voting, Digerati Technologies Sdn Bhd demonstrated the step-by-step guide on the online voting module via a video clip to facilitate the polling process. Shareholders participated and voted remotely at the AGM using the RPV facilities. During the proceedings of the 53rd AGM, participants were given opportunity to pose questions in the form of typed texts through the remote participation platform. Questions received before and during the meeting were made visible and read out at the meeting to allow for real time engagement and interaction between Board members and shareholders during the Question & Answer session, while Chairman of the Meeting, Managing Director and Chief Financial Officer provided responses to the respective questions. The poll results of the 53rd AGM were verified by the Independent Scrutineers, Quantegic Services Sdn Bhd and the results of the poll were displayed on the screen when the Chairman of the Meeting declared that all the resolutions were duly carried.

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

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	The minutes of the 53 rd AGM held on 27 June 2024 was published on the Company’s website within 30 business days after the AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
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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