

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 9075  
**COMPANY NAME** : THETA EDGE BERHAD  
**FINANCIAL YEAR** : December 31, 2024

## OUTLINE:

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is mindful of its accountability to its shareholders and relevant stakeholders in creating long-term success and sustainable value in the Company's business.</p> <p>In ensuring the effectiveness and efficiency of the business decision-making within the framework, the Board provides the overall governance, stewardship and oversight for the direction and management of the Company and the Group. The Board establishes the vision and strategic objectives of the Group, directing policies, strategic action plans, and stewardship of the Group's resources.</p> <p>The Board's roles and responsibilities amongst others include:</p> <ul style="list-style-type: none"><li>a) reviewing, adopting, and monitoring the Group's strategic direction, annual business and operating plans and financial budgets;</li><li>b) identifying and managing principal risks affecting the Group;</li><li>c) reviewing the adequacy and integrity of the Group's management information systems, risk management, and internal controls;</li><li>d) reviewing and approving the quarterly and yearly financial results to ensure that they are fairly stated and conform with the relevant regulations, including acceptable accounting policies that result in balanced and understandable financial statements;</li><li>e) reviewing and approving material investment, acquisition, or disposal of assets;</li><li>f) reviewing and approving the appointment, remuneration, and succession plan for senior management;</li><li>g) overseeing the process of disclosure and communications, developing and implementing shareholders' communication policy;</li><li>h) together with senior management, promote good Corporate Governance culture within the Company which reinforces</li></ul>

	<p>ethical, prudent, and professional behaviour;</p> <ul style="list-style-type: none"> <li>i) ensuring the integrity of the Company's financial and non-financial reporting;</li> <li>j) attending substantially all the meetings of the Board and the meetings of each Committee on which the Director serves;</li> <li>k) reviewing, before attending meetings of the Board or Committees, all materials provided by the Company relating to matters to be considered at the meetings;</li> <li>l) ensuring a formal and transparent Board nomination and election process; and</li> <li>m) monitoring and managing potential conflicts of interest of Management, Board members, and shareholders, including misuse of corporate assets and abuse in related party transactions.</li> </ul> <p>In discharging its duties and functions effectively, the Board delegates specific responsibilities to its Board Committee namely:</p> <ul style="list-style-type: none"> <li>i. Audit and Risk Management Committee ("ARMC")</li> <li>ii. Nomination and Remuneration Committee ("NRC")</li> <li>iii. Board Investment Committee ("BIC")</li> </ul> <p>All committees have written terms of reference. These Committees are formed to enhance business and operating efficiency. The Chairman of the respective Committees will report to the Board on the outcome of the Committees Meetings for the Board's consideration and final decision.</p> <p>Minutes of the respective meetings will be presented to the Board for its information. The Board retains full responsibility for the direction and control of the Company and the Group.</p> <p>The Company has established a Discretionary Authority Limit (DAL), providing a framework of authority and accountability. The DAL outlines approval authority for strategic, capital, and operational expenditure approved by the Board. The DAL is reviewed and approved by the Board in line with changes in business needs.</p> <p>The Board is guided by a Board Charter which states the roles and responsibilities of the Board. The Board Charter is available on the Company's website at <a href="http://www.theta-edge.com">www.theta-edge.com</a>.</p>
<b>Explanation for departure</b>	:
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<b>Measure</b>	:

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

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

### Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman is primarily responsible for the leadership of the Board in ensuring the effectiveness of all aspects of its role. The roles of our Non-Independent Non-Executive Chairman are set out in the Board Charter, which is made available on the Company's website at <a href="http://www.theta-edge.com">www.theta-edge.com</a>.</p> <p>The Chairman's responsibilities are not limited to the followings:</p> <ul style="list-style-type: none"><li>(a) leading the Board in setting the values, standards, key policies, and direction of the Group;</li><li>(b) providing the Board with leadership and harnessing the talents and energy contributed by each of the individual directors;</li><li>(c) formulating (with the Group Managing Director and Chief Executive Officer (GMD + CEO) and Company Secretary) the annual work plan for the Board against agreed objectives and playing an active part in setting the agenda for Board meetings;</li><li>(d) presiding over Board meetings and ensuring that time in meetings is used productively;</li><li>(e) upholding rigorous standards of preparation for meetings;</li><li>(f) managing conflicts of interest and potential conflict of interest;</li><li>(g) maintaining a relationship of trust with and between the Executive and Non-Executive Directors;</li><li>(h) ensuring the provision of accurate, timely, and clear information to Directors;</li><li>(i) ensuring effective communication with shareholders and relevant stakeholders;</li><li>(j) arranging for the evaluation of the performance of the Board, its Committees, and individual Directors;</li><li>(k) facilitating the effective contribution of Non-Executive Directors and ensuring constructive relationship be maintained between Executive and Non-Executive Directors;</li><li>(l) facilitating the ongoing development of all Directors;</li><li>(m) identify and participate in selecting board members and overseeing a formal succession plan for the Board, GMD + CEO, and Senior Management (via the Nomination and Remuneration Committee); and</li><li>(n) ensuring that decisions by the Board are executed.</li></ul>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

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

### Practice 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman and the Group Managing Director and Chief Executive Officer (GMD + CEO) are held by different individuals.</p> <p>Tan Sri Abd Rahman bin Mamat, our Chairman is primarily responsible for ensuring Board's effectiveness and conduct. He leads the Board in setting the Group's key policies and direction, ensures the effective operation of the Board, and is the spokesperson for the Board.</p> <p>Our GMD + CEO, Datuk Nuraslina binti Zainal Abidin is responsible for the day-to-day running of the business and implementing the Board's policies, strategies, and decisions. Our GMD + CEO is assisted by the Senior Management and heads of each division to implement and run the Group's day-to-day business operations.</p> <p>The roles of the Chairman and the GMD + CEO are set out in the Board Charter which is available on the Company's website at <a href="http://www.theta-edge.com">www.theta-edge.com</a>.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman leads the Board and is responsible for the adequate performance of the Board. The Chairman of the Board shall be a Non-Executive Member of the Board.</p> <p>The Chairman of the Board is not a member of the Audit and Risk Management Committee as well as the Nomination and Remuneration Committee and Board Investment Committee.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company Secretaries, Cynthia Louis and Chew Mei Ling are Fellow members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). They are qualified in accordance with the requirements of the Companies Act 2016, and competent to support the Board.</p> <p>The Board has direct access to the advice and services of the Company Secretaries, who are responsible to the Board for ensuring that the Board's procedures are followed and that applicable rules and regulations are complied with.</p> <p>The Company Secretaries whose appointment and removal are subject to the Board's approval, attend Board and Board Committees meetings.</p> <p>The Company Secretaries work closely with the Management to ensure that timely and appropriate information flows to the Board and Board Committees.</p> <p>In performing their duties, the Company Secretaries carry out, amongst others, the following tasks: -</p> <ul style="list-style-type: none"><li>▪ Statutory duties as required under the Companies Act, 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad (BMSB) and Capital Market and Services Act, 2007;</li><li>▪ Facilitating and attending Board and Board Committees Meetings;</li><li>▪ Maintaining records for the purpose of meeting statutory obligations;</li><li>▪ Assisting the Board with the preparation of announcements for release to BMSB; and</li><li>▪ Rendering advice and support to the Board and Management.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

### Intended Outcome

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

### Practice 1.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Prior to Board meetings, an agenda together with the relevant documents and information are distributed to all Directors at least five business days in advance of Board meetings unless in unavoidable circumstances.</p> <p>The Senior Management and/or other relevant Board members will provide comprehensive explanation of pertinent issues and recommendations. The issues would then be deliberated and discussed thoroughly by the Board before decision-making.</p> <p>In addition to the above, the Board members are supplied with information and reports on financial, operational, corporate, regulatory, business development, and audit matters through board reports or upon specific request to enable them to discharge their duties and responsibilities. Any amendment, correction or/and new updates to matters deliberated to the Board shall be communicated to the Board in the next meeting.</p> <p>All Directors are notified of the corporate announcements released to BMSB, any amendment to BMSB's Listing Requirements, and any pertinent Regulatory changes. All Directors have access to the Management, Company Secretary, and Auditors for independent view and advice.</p> <p>In furtherance of their duties, the Directors may seek independent professional advice, if necessary, at the expense of the Company.</p> <p>The deliberations and decisions at Board and Board Committees' meetings are documented in the minutes.</p> <p>All the minutes of meetings are circulated and confirmed as a correct record of proceedings by the Board and Board Committees at their next meetings, respectively. The signed minutes are appropriately filed and kept at the Company's Registered Office.</p>
<b>Explanation for departure</b>	:	

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

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

**Intended Outcome**

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

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

**Practice 2.1**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has in place a Board Charter as a critical point of reference which clearly defines the roles and responsibilities of the Board. The Board Charter sets out, among others, the responsibilities, authorities, procedures, evaluations and structures of the Board and Board Committees, as well as the relationship between the Board with Management and Shareholders.</p> <p>The Board Charter is reviewed as and when necessary, and updated according to the needs of the Company to ensure it remains consistent with the Board's objectives and responsibilities and all the relevant standards of corporate governance.</p> <p>The Board Charter is available on the Company's website at <a href="http://www.theta-edge.com">www.theta-edge.com</a>.</p> <p>The Board Charter was last reviewed and updated on 27 April 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company's Code of Ethics encompasses transparency, integrity, accountability, and corporate social responsibility. The Board has formalised a Code of Ethics and Business Conducts, which sets out the standard of business conduct and ethical behaviour expected of Directors and employees of the Group in terms of performance and exercise of their respective duties and responsibilities.</p> <p>All Directors, Management, and employees are expected to behave ethically and professionally to protect and promote the reputation and performance of the Company.</p> <p>The Group Code of Ethics and Business Conducts is available on the Company's website at <a href="http://www.theta-edge.com">www.theta-edge.com</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 3.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company had in 2020 adopted a Whistle-Blower Policy which provides avenues for the whistle-blowers to disclose any wrongdoing(s), corrupt, unethical, and questionable practices or improper conduct committed or about to be committed by any staff of the Group.</p> <p>The Whistle-Blower Policy is published on the Company's website at <a href="http://www.theta-edge.com">www.theta-edge.com</a> and is reviewed by the Company every three (3) years or as and when there is a change in the regulatory requirement.</p> <p>The Company is committed to the highest standards of professionalism, honesty, integrity, accountability, and ethical behaviour in its business and operations. The Company aspires to conduct its affairs in an honest, responsible, transparent, and reasonable corporate governance.</p> <p>Pursuant to the Whistleblowing policy, employees and relevant stakeholders have an avenue to report instances of unethical behaviour, improper conduct, actual or suspected fraud or abuse within the Group. The Company wants to embed a culture where wrongdoing is not tolerated and will be quickly and efficaciously addressed when reported.</p> <p>The Whistle-Blower policy is available on the Company's website at <a href="http://www.theta-edge.com">www.theta-edge.com</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

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

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

### Practice 4.1

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>THETA acknowledges the importance of sustainability in its business activities. While every effort is made to achieve its corporate objectives, THETA made pragmatic steps in complying with the principles and supporting pillars of sustainability, namely environmental, social and governance, concerning the conduct of the business.</p> <p>The Board believes that no company can prevail by maximizing the shareholders' value alone, and the needs and interests of other stakeholders must be taken into consideration.</p> <p>Strategic management of material sustainability matters is driven by Senior Management.</p> <p>Tools on sustainability and Environmental, Social and Governance (ESG) monitoring including key performance indicator (KPI) standards are identified to measure and monitor the performance of Senior Management in addressing sustainability-related and matters which could affect business goals.</p> <p>For FY2022 onwards, the Company adopts the United Nation Sustainability Development Goals (UNSDG) and Sustainability Accounting Standard Board on its Sustainability Reporting.</p> <p>The Management aims to be a part of the FTSE4Good Index as the Company is incorporating ESG Framework aligning with the Bursa Sustainability Reporting Guideline.</p>
<b>Explanation for departure</b>	:	

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

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

**Intended Outcome**

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

**Practice 4.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company is aware of the sustainability strategies, priorities and targets as well as its performance against these targets.</p> <p>The Company has evaluate the basis performance and have communicated the same to its internal and external shareholders.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.3**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board is aware of their need to stay abreast with and understand the sustainability issues concerning the Company and its business, including climate-related risks and opportunities, human rights green financing by engaging with consultants and attending relevant training/forums to gain more exposure.</p> <p>Our initiatives, approach and measures taken to address the respective Economic, Environmental, Social and Governance ("EESG") are elaborated in the sustainability outlook Section 03 in the Annual Report 2024.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.4**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Tools on sustainability and ESG monitoring including KPI standards were identified to measure and monitor the performance of Senior Management in addressing sustainability-related matters which could affect business goals.</p> <p>Board and Senior Management activities in addressing the Company's material sustainability risks and opportunities have already been undertaken by the Board since FY2022 onwards.</p> <p>Sustainability and ESG monitoring performance evaluation results are tabled during the Group's Annual Operating Plan and communicated to internal and external stakeholders.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.5- Step Up**

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

<i>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.</i>		
<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	A division within the Organization Resilience Department is established to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Company.

### Intended Outcome

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

### Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC is a committee of the Board with the primary function of recommending appointments of the Board, Board Committees, Senior Management and other strategic positions as may be determined by the Board.</p> <p>As stated in the NRC's Terms of Reference, NRC shall determine the criteria for Board membership, including qualities, experience, skills, diversity, expertise, education background, and qualifications, competencies, integrity, contribution, level of commitment in terms of time and other qualities that will best qualify a candidate to sit on the Board.</p> <p>NRC also annually reviews and recommends to the Board with regards to the structure, size, tenure, directorships, balance and composition of the Board and Committees including the required mix of skills and experience, core competencies which the Directors should bring to the Board and other qualities to function effectively and efficiently.</p> <p>The Board conducts a Board evaluation on an annual basis. The Board's evaluation comprises Performance Evaluation of the Board and various Board Committees, Directors' Self-Assessment and Peer-Assessment as well as the Assessment of the independence of the Independent Directors. The assessment of the Board is based on five main areas covering:</p> <ul style="list-style-type: none"><li>(i) Board Collective Review encompassing culture of the Group, capability, diversity, board processes, and stakeholder relations;</li><li>(ii) Performance Impact Review;</li><li>(iii) Directors' Self Review;</li><li>(iv) Directors' Peer Review; and</li><li>(v) Review of the Board Committees.</li></ul> <p>For Individual Performance and Board Evaluation, the assessment criteria include among others, contribution and performance, calibre and personality, Board mix and composition, quality of information and decision-making as well as participation at Board and Board Committees Meetings.</p> <p>The results and recommendations from the evaluation were</p>

**Intended Outcome**

	<p>reported to the NRC and the Board for further consideration and action, if required.</p> <p>Directors who are subject to re-election at the next Annual General Meeting shall be assessed by the NRC before recommendation is made to the Board and shareholders for their re-election.</p> <p>There were no major concerns arising from the results of the assessments of the Board and the Board Committees. The feedback confirmed that the Board and each of its committee continue to operate effectively and that each Director continues to make an effective contribution and demonstrates a strong commitment to their role.</p> <p>The results of these assessment form the basis for the NRC's recommendation to the Board for the re-election of Directors at the forthcoming AGM.</p>
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<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board currently consists of eight (8) members comprising the Non-Independent Non-Executive Chairman, four (4) Independent Non-Executive Directors, two (2) Non- Independent Non-Executive Directors and one (1) Group Managing Director + Chief Executive Officer.</p> <p>Independent Directors currently comprise 50% of the Board members. The Board has complied with Paragraph 15.02 of the Listing Requirements which requires at least 2 directors or one-third (1/3) of the Board, (whichever is the higher) to be Independent Directors.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:	Choose an item.	

**Intended Outcome**

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

**Practice 5.3**

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company adopts a policy that limits the tenure of its independent directors to nine (9) years.</p> <p>Upon completion of nine (9) years, an Independent Director may continue to serve on the Board subject to his re-designation as a non-independent director.</p> <p>None of our Independent Directors has served more than nine (9) years on the Board for the FY2024.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

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

**Practice 5.4 - Step Up**

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

<i>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.</i>		
<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The Company adopts a policy that limits the tenure of its independent directors to nine (9) years.</p> <p>Upon completion of nine (9) years, an Independent Director may continue to serve on the Board subject to his re-designation as a non-independent director.</p>

**Intended Outcome**

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

**Practice 5.5**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board's diversity does not only relate to gender but also to professional experiences, business experiences, skills, knowledge, age, ethnicity and educational background.</p> <p>The Company does not have a policy on gender, ethnicity and age group for candidates to be appointed to the Board. The Group does not practice any form of objective or selection criteria in consideration of candidates to the Board. Any appointment and retention of directors are based on merit and without prejudice, taking into consideration the requirements for the Board to be effective.</p> <p>The Board periodically assesses the skills, expertise, experience, gender, age and independence of its directors against the needs of the Board.</p> <p>In establishing and ascertaining whether a person is fit and proper to hold a Key Responsible Person (Director and Board Committee) position, the Company shall have regard for the person:</p> <ul style="list-style-type: none"><li>(i) Probity, personal integrity and reputation – a person must have personal qualities such as honesty, integrity, diligence, independence of mind and fairness.</li><li>(ii) Competence and capability – a person must have the necessary skills, experience, ability and commitment to carry out the role.</li><li>(iii) Soundness of judgment – a person must have the ability to combine personal qualities with relevant knowledge and experience to form opinions and make decisions.</li><li>(iv) Financial integrity – a person must manage his debts or financial affairs prudently.</li></ul>

	<p>Persons who are considered not to be fit and proper or cast doubts on his/her integrity will be immediately advised and be given the opportunity to provide additional information in support of their assessment.</p> <p>The additional information must be provided within 14 days of the Board's assessment and will be considered prior to making a final decision regarding the fitness and propriety of the person. Persons who are assessed to be not fit and proper will not be appointed as directors or board committee members.</p> <p>The Directors' Fit and Proper Policy is available on the Company's website at <a href="http://www.theta-edge.com">www.theta-edge.com</a>.</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.6

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Tan Sri Abd Rahman bin Mamat and Datuk Dyg Sadiyah binti Abg Bohan were appointed as the non-independent Non-Executive Directors of the Company on 9 July 2024 whilst Nik Johaan bin Nik Hashim was appointed on 24 October 2024 as the Non-Independent Non-Executive Director of the Company. The above directors are the nominees of Lembaga Tabung Haji, a major shareholder of the Company.</p> <p>The presence of the above directors brings together with them vast experience, which include among others, strengths in strategic thinking and planning, senior executive leadership as well as legal and regulatory. Further details of their skill matrix can be found on the Board Diversity section of the Corporate Governance Overview Statement.</p>

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



### Intended Outcome

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

### Practice 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The profiles of the Board are available in the Annual Report. These include their age, gender, qualification, tenure of service, directorship in other companies, working experience and any conflict of interest as well as their shareholding in the Company, if any.</p> <p>The reasons from the Board to support the re-election of Tan Sri Abd Rahman bin Mamat, Datuk Dyg Sadiyah binti Abg Bohan, Nik Johaan bin Nik Hashim, Datuk Nuraslina binti Zainal Abidin and Azih bin Yusof are disclosed in the Notes to the Notice of the 32<sup>nd</sup> AGM of the Company dated 30 April 2025.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the NRC is an Independent Non-Executive Director.</p> <p>The current composition of the NRC is as follows: -</p> <p>Latifah binti M. Daud (Chairperson) <i>(Senior Independent Non-Executive Director)</i></p> <p>Adam Malik bin Azlan (Member) <i>(Independent Non-Executive Director)</i></p> <p>Shahrin binti Oli Mohamed (Member) <i>(Independent Non-Executive Director)</i></p> <p>Syed Osman Al Haddad bin Syed Mohamed (Member) <i>(Non-Independent Non-Executive Director)</i></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Company does not have a policy on gender, ethnicity and age group for candidates to be appointed on the Board. The Group does not practice any form of objective or selection criteria in consideration of candidates to the Board. Any appointment and retention of directors is based on merit and without prejudice, taking into consideration the requirements for the Board to be effective.</p> <p>The Board periodically assess the skills, expertise, experience, gender, age and independence of its directors against the needs of the Board. The Board is guided by the principle that the appointment of a new Board member shall not be based solely on gender.</p> <p>Our Board comprises of eight (8) Directors, of whom four (4) are women directors, which translates to a 50% female representation and thus, the Company has complied with Paragraph 15.02 (1)(b) of the Main Market Listing Requirements to have at least one (1) woman director to the Board.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

**Intended Outcome**

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

**Practice 5.10**

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Company does not have a specific policy on gender, ethnicity and age group for candidates to be appointed to the Board and Senior Management. The Group does not practice any form of objective or selection criteria in consideration of candidates to the Board and Senior Management. Any appointment and retention of directors are based on merit and without prejudice, taking into consideration the requirement for the Board to be effective. The Board periodically assesses the skills, expertise, experience, gender, age and independence of its directors against the needs of the Board. The Board is guided by the principle that the appointment of a new Board member or Senior Management (if any) shall not be based solely on gender.</p> <p>Whilst it is aware of potential benefits from having members on the Board of different genders, age groups as well as ethnicity, the Board is of the view that the interests of the Company and the Group are better served if the selection of suitable candidates is made on the criteria of meritocracy, pre-requisites of relevant skillsets/expertise and experience relevant for the position, rather than formalizing policies and targets towards gender, age and ethnicity.</p> <p>The Company has four (4) women Board members, representing 50% Board composition.</p> <p>The Company currently has two (2) women representatives at the Senior Management level, representing 29% in the gender of Senior Management's composition.</p> <p>Information on Board and Senior Management's composition, skillsets/expertise and diversity can be found in the Annual Report 2024 which is also available on the Company's website: <a href="http://www.theta-edge.com">www.theta-edge.com</a></p>
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

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

### Intended Outcome

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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board's evaluation comprises Performance Evaluation of the Board and various Board Committees, Directors' Self-Assessment and Assessment of the independence of the Independent Directors. The assessment is based on five (5) main areas, covering:</p> <ul style="list-style-type: none"><li>(i) Board Collective Review encompassing culture of the Group, capability, diversity, board processes, and stakeholder relations;</li><li>(ii) Performance Impact Review;</li><li>(iii) Directors' Self Review;</li><li>(iv) Directors' Peer Review; and</li><li>(v) Review of the Board Committees.</li></ul> <p>For Individual Performance and Board Evaluation, the assessment criteria include among others, contribution and performance, calibre and personality, Board mix and composition, Board engagement as well as participation at Board and Board Committees Meetings. The criteria for assessing the independence of an Independence Director include the relationship between the Independent Director and the Group and his or her involvement in any significant transaction with the Group.</p> <p>For FY2023, the Company had engaged an external firm, Russell Reynolds Associates ("RRA"), to conduct the effectiveness assessment for the board independently.</p> <p>In addition to regulatory and governance requirements stipulated by Bursa and the MCCG, this exercise also involved analysing the present structure, composition and practices of the current board of Theta Edge against its desired future state and business strategies. This was done through a combination of surveys and interviews conducted by RRA with both the management and the</p>

board, which looked into the effectiveness of the board as a whole, its committees, and the individual directors.

There were no major concerns arising from the results of the assessments of the Board and the Board Committees. The feedback confirmed that the Board and each of its committee continue to operate effectively and that each Director continues to make an effective contribution and demonstrates a strong commitment to their roles.

There were no major concerns arising from the results of the assessments of the Board and the Board Committees conducted by RRA.

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



### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a Remuneration Policy ("Policy") as the Company desires to continue to focus on the ongoing improvement and full alignment of the Policy with good governance recommendations. The Remuneration Policy enables the Company to attract, recruit, develop and retain highly qualified, high-performing motivated and skilled Directors and Senior Management. The Remuneration packages should reflect the Board's and senior management responsibilities, expertise and complexity of the Company's activities and should be aligned with the business strategy and long-term objectives of the Company.</p> <p>When reviewing the structure and level of Directors' fees, which comprises base Director's fee and additional fees for service rendered on the Board Committee, the NRC takes into consideration the respective Director's roles and responsibilities in the Board and Board Committees.</p> <p>The level of remuneration of Non-Executive Directors reflects their experience and level of responsibilities undertaken by them. Non-Executive Directors will receive a fixed fee, with additional fees if they are members of Board Committees, with the Chairman of the ARMC and NRC receiving a higher fee/allowance in respect of his service as chairman of the respective committees. The fees for Directors are determined by the Board with the approval from Shareholders at the AGM. No Director is involved in deciding his own remuneration.</p> <p>The details of the Company's Remuneration Policy are available on the Company's website at <a href="http://www.theta-edge.com">www.theta-edge.com</a></p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination and Remuneration Committee ("the NRC") addresses and provides assistance to the Board in determining, reviewing and developing a remuneration policy and reward system for the Board, Board Committees, Senior Management and other strategic positions as may be determined by the Board. The remuneration package links rewards to corporate and individual performance. A remuneration policy is presently in place to ensure the levels of remuneration are sufficiently attractive to retain Directors and Senior Management.</p> <p>The terms of reference of the NRC were last reviewed and updated on 5 October 2023.</p> <p>The details of the terms of reference of the NRC is available on the Company's website at <a href="http://www.theta-edge.com">www.theta-edge.com</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Details of the Directors' remuneration for FY2024 is 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	Tan Sri Abd Rahman Bin Mamat	Non-Executive Non-Independent Director	29	19					48	29	19					48
2	Zainal 'Abidin Abd Jalil	Non-Executive Non-Independent Director	30	36					66	30	36					66
3	Latifah M.Daud	Independent Director	30	76					106	30	76					106
4	Azih Bin Yusof	Independent Director	30	54					84	30	54					84
5	Adam Malik Bin Azlan	Independent Director	30	75					105	30	75					105
6	Shahrin Oli Mohamed	Independent Director	30	66					96	30	66					96
7	Syed Osman AlHaddad bin Syed Mohamed	Independent Director	15	35					50	15	35					50
8	Datuk Dyg Sadiyah Binti Abg Bohan	Non-Executive Non-Independent Director	14	14					28	14	14					28
9	Nik Johaan Bin Nik Hashim	Non-Executive Non-Independent Director	6	8					13	6	8					14
10	YM Tengku Dato' Seri Hasmuddin Bin Tengku Othman	Non-Executive Non-Independent Director	29	31					60	29	31					60
11	Rozahan Bin Osman	Non-Executive Non-Independent Director	0	0					0	0	0					0

12	Datuk Nuraslina Binti Zainal Abidin	Group Managing Director & Chief Executive Officer			233			73	305			233			73	306
13																
14																
15																

**Intended Outcome**

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

**Practice 8.2**

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Company does not comply with the recommendations to disclose the detailed remuneration of the top five (5) senior management in bands of RM50,000 on a named basis which is in line with the Group's practice of ensuring the confidentiality of the remuneration of all employees.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

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



**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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

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

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.

The company's financial statement is a reliable source of information.

**Practice 9.1**

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairperson of the ARMC is Adam Malik bin Azlan, the Independent Non-Executive Director. He is not the Chairman of the Board.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	A former partner of the external audit firm is to observe a cooling-off period of at least 3 years before being appointed.  None of the present ARMC members were the former partners of our external audit firm.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company's independent External Auditors fill an essential role for the shareholders by enhancing the reliability of the Group's financial statements and giving assurance of that reliability to users of the financial statements.</p> <p>The Board has established a formal and transparent arrangement for maintaining appropriate relationships with the External Auditors in seeking professional advice and ensuring the compliance with the relevant regulations and applicable approved accounting standards in Malaysia. The External Auditors attend ARMC meetings when necessary and have direct access to the ARMC and Internal Auditors for independent discussion.</p> <p>The Board through the ARMC reviews and assess the independence of the External Auditors on a yearly basis. The ARMC works closely with the Management team in assessing the suitability of the External Auditors. The areas of assessment include among others, the external auditors' objectivity and independence, audit fees, size and competency of the audit team, audit strategy, audit reporting and partner involvement.</p> <p>The External Auditors, in supporting their independence, provided the ARMC with an assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. The External Auditors have provided such declaration in their annual audit plan presented to the ARMC of the Company during the financial year.</p> <p>The non-statutory audit fees incurred for services rendered to the Group by KPMG for FY2024 was RM24,000.</p> <p>The Board has considered the non-audit fees provided during the year by KPMG and is satisfied that the provision of those non-audit services during the year by KPMG does not compromise the Auditors' independence.</p>

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

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

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The members of ARMC possess a wide range of necessary skills to discharge their duties effectively. The Committee is led by Encik Adam Malik bin Azlan, who is a member of the Malaysian Institute of Accountants (MIA) and he possesses the financial knowledge to provide satisfactory input on financial matters. En Adam is assisted with three (3) members, En Azih bin Yusof, Cik Shahrin binti Oli Mohamed and Datuk Dyg Sadiyah binti Abg Bohan in carrying out the function of ARMC.</p> <p>Adam Malik bin Azlan is a certified member of The Institute of Chartered Accountants in England and Wales. He was appointed as Chairman of ARMC on 28 February 2024.</p> <p>All members of ARMC are financially literate as they keep themselves abreast with the latest developments in accounting and auditing standards and the impact on the Group through briefings by Management and external auditors.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	





**Intended Outcome**

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

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

**Practice 10.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has overall responsibility for maintaining a sound internal control system that provides reasonable assurance of effective and efficient operations and compliance with internal procedures and guidelines.</p> <p>The Board acknowledges its responsibility to adopt sound risk management practices and internal control systems to safeguard Theta's business interest from risk events that may impede the achievement of business strategies &amp; action plan, enable value creation and promote process improvement.</p> <p>The Board is of the view that the risk management framework and internal control system are designed to manage, rather than eliminate the risks within an acceptable risk tolerance, to achieve the policies, goals, and objectives of the Group. Therefore, it can only provide reasonable rather than absolute assurance of effectiveness against material misstatement of losses and fraud.</p> <p>A Corporate Governance Framework is established to strengthen the pillars of Assurance and Enabler that provides emphasis on the 2nd and 3rd Lines of Defence for the purpose of compliance monitoring and internal control effectiveness within the Group.</p> <p>The Board has established an appropriate control structure and process for identifying, evaluating, monitoring and managing significant risks that may affect the achievement of business objectives. The control structure and function which have been instituted throughout the Group are updated and reviewed from time to time to suit the changes in the business environment, and this ongoing process has been in place for the whole financial year.</p> <p>An Enterprise Risk Management Framework has been established to ensure that the risk management framework is embedded and consistently adopted throughout the Group.</p>

	A summary of the material risks that could affect the Group are monitored for changes in their exposure and are reported to the Board and ARMC during the course of the year, along with their related controls and action plans.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 10.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Group's approach to risk management and the principal risks faced by the Group are discussed in the Statement on Risk Management and Internal Control as set out on pages 97 to 103 of the Annual Report.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

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

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

**Intended Outcome**

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

**Practice 11.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group ensures that the internal audit function is effective and able to function independently.</p> <p>The Group has an Internal Audit (IA) team who reports directly to the ARMC.</p> <p>With the formation of the Internal Audit Department (IAD), the following documents had been established:</p> <ol style="list-style-type: none"> <li>Internal Audit Charter;</li> <li>Internal Audit Manual; and</li> <li>Internal Audit 5 Years Strategic Plan</li> </ol> <p>To ensure consistency and standardization in providing assurance on the effectiveness and adequacy of the overall system of internal controls, all auditing activities of IAD are carried out in line with the Group's Annual Operating Plan, objectives, policies and procedure. These activities are also conducted in accordance with applicable laws and regulations, as well as relevant policies and guidelines, as prescribed by the International Professional Practices Framework ("IPPF") promulgated by the Institute of Internal Auditors.</p> <p>The IAD undertakes regular reviews of the Group's operations and its system of internal controls in accordance with the audit plan approved by the ARMC. The audit plan is developed based on the risk profiles of the respective business entities of the Group identified in accordance with the Enterprise Risk Management Framework and feedbacks from the Senior Management and the Board. Audit risk assessment is performed on a regular basis to prioritise high risk areas and to reflect agile audit planning methodology.</p> <p>The IAD has a clear line of reporting to the ARMC and the ARMC shall determine the remit of the Internal Audit function conforming to the Practice 11.1 of the MCCG 2021. Thus, the IAD is independent of the activities being audited and the internal audit</p>

	<p>activities are performed with impartiality, proficiency, and due professional care.</p> <p>The IA has unrestricted access to the ARMC and is invited to attend meetings to facilitate the deliberation of internal audit reports. The minutes of the ARMC meetings are then tabled to the Board for information and serve as useful references, especially if there are pertinent issues that any Directors wish to highlight or seek clarification.</p> <p>In carrying out internal audit reviews, detailed reports were issued to the ARMC. Apart from highlighting any deficiency or areas requiring the Management's attention, the reports also included recommendations as well as proposed corrective actions to be implemented by the Management. Follow-up audits were then carried out to determine whether corrective actions had been taken by the Management.</p>			
<b>Explanation for departure</b>	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
<b>Measure</b>	:			
<b>Timeframe</b>	:	<table border="1"> <tr> <td></td><td></td></tr> </table>		

### Intended Outcome

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

### Practice 11.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>For the financial year 2024, the Internal Audit Department (IAD) was headed by Encik Eanis Azman bin Abdul Latiff, he has an extensive experience in the areas of internal control, risk management and governance from various industries.</p> <p>The activities of the IAD are guided by the Internal Audit Charter, the Audit Committee Charter and the Internal Audit Manual that define the roles, responsibilities, accountability and the scope of work of the IAD.</p> <p>As of December 2024, the staff strength of the Department stood at 3 staff. The total cost of internal audit function was RM184,116 comprising mainly of payment to external consultants, staff costs, trainings, and other provisions.</p> <p>The internal audit team reports to the ARMC.</p> <p>The activities of the IAD are guided by the Internal Audit Charter, the Audit Committee Charter and the Internal Audit Manual that define the roles, responsibilities, accountability and the scope of work of the IAD.</p> <p>The ARMC has also received assurance from the Internal Auditors that the Internal Audit function is free from any relationships or conflicts of interest which could impair their objectivity and independence.</p>



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

### Intended Outcome

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Recognising the importance of timely dissemination of information to shareholders and other stakeholders, the Board is committed to ensuring that the shareholders and other stakeholders are well informed of major developments of the Company and the information is communicated to them through the following: -</p> <ul style="list-style-type: none"><li>(i) The Annual Report;</li><li>(ii) The various disclosures and announcements made to BMSB including the Quarterly Results and Annual Results;</li><li>(iii) Briefings to the Company's key investors or other investment community in order to provide them a better understanding of the Group's operations and explanation of any concern highlighted; and</li><li>(iv) The website at <a href="http://www.theta-edge.com">www.theta-edge.com</a> which shareholders, as well as members of the public, are invited to access for the latest information about the Company.</li></ul> <p>The Board also encourages shareholders to communicate through other channels and has identified Puan Latifah binti M. Daud who is the Senior Independent Non-Executive Director to whom concerns from the public may be conveyed. Puan Latifah binti M. Daud can be contacted via the following channel:</p> <p>Address : c/o Theta Edge Berhad Lot 11B, Jalan 223, Seksyen 51A 46100 Petaling Jaya Selangor Darul Ehsan.</p> <p>Email : <a href="mailto:SID@theta-edge.com">SID@theta-edge.com</a> Fax 603 6043 0077</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

**Intended Outcome**

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

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

**Practice 12.2**

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

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

**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company's AGM serves as a principal forum for dialogue with shareholders. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions. Meetings of Members are held as and when required.</p> <p>The Company sends out the Notice of AGM to shareholders at least twenty-eight (28) days before the meeting in order to facilitate the full understanding and evaluation of the issues involved.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 13.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	All Directors, including the Chairman of the ARMC, NRC and BIC would attend the General Meetings to allow the shareholders to raise questions and clarify any issues they may have relating to each resolution tabled for approval.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 13.3**

Listed companies should leverage technology to facilitate—

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company conducted its previous annual general meeting fully virtual through live streaming and online remote voting using remote participation and voting facilities, which is in compliance with Section 327 of the Companies Act 2016.</p> <p>Shareholders who were unable to attend the AGM were given the avenue to appoint their respective proxies to vote on their behalf during the General Meeting of the Company.</p> <p>The Company has adopted poll voting, in accordance with Paragraph 8.29A of the Bursa Securities' Main Market Listing Requirements and shareholders who are unable to attend the AGM are allowed to vote via proxy.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

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



### Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During the previous annual general meeting, shareholders were given the opportunity to pose questions on matters relating to the Group's business in addition to the Company's financial statements at the meeting.</p> <p>Shareholders were given the opportunity to submit questions in advance via email to the Company resolutions tabled at the AGM or financial performance/prospect of the Company prior to convening of AGM.</p> <p>Real time submission of typed texts via Remote Participation and Electronic facilities were also available and serve as primary channel of communication.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.5

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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During FY2024, the Company adopts full-digitally enabled meetings featuring live broadcasting, where shareholders are offered the opportunity to remotely participate electronically, hosted by Tricor Investor &amp; Issuing House Services Sdn Bhd (Tricor), facilitated by its live web portal which will be accessible through its website at <a href="https://tiih.online">https://tiih.online</a>.</p> <p>Shareholders are to attend, speak (in the form of real-time submission of typed texts) and vote (collectively, “participate”) remotely at the AGM using RPV facilities from Tricor.</p> <p>Each question will be displayed on the screen as and when responses to the respective questions are provided in an orderly manner.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Minutes of the 31 <sup>st</sup> AGM was uploaded on the Company's website at <a href="http://www.theta-edge.com">www.theta-edge.com</a> within thirty (30) business days after the AGM.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

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

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

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