

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5047
COMPANY NAME : NPC RESOURCES BERHAD
FINANCIAL YEAR : December 31, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board views corporate governance as synonymous with three key concepts – transparency, accountability as well as corporate performance. The Board plays a primary role in corporate governance by setting out the strategic direction of the Group, establishing goals and monitoring the achievement of the goals. A structured risk management process has also been established to better identify, formalise, monitor within the various operating units and manage the business risks affecting the Group.</p> <p>The Board serves as an allied leader to guide and collectively review the management of company affairs and overall performance of the company, while staying committed to ensuring that good corporate governance is conducted throughout the Group. The Group's business units are separated based on their products and services, and have three reportable operating segments. The Board ensures it stays collectively up to date with the developments in each sector:</p> <ol style="list-style-type: none">1. Plantation and milling segment, involving cultivation and sale of oil palm products<ul style="list-style-type: none">• assessing whether the mill is being properly managed through regular communication with the plantation managers and monthly site visits to the Berkat Mill and Nala Mill as well as to the plantations in both Sabah and Indonesia;• weighing the operational risks during supply collection and production against future business prospects, to get more effective oversight into the Group's palm oil business direction; and• collectively formulating both short and long term strategic plans to improve business productivity

2. Corporate segment, which covers all Group-level corporate services, treasury and purchasing functions and business investments

- analysing the Group's actual results against the budget previously set, before approving the following budget;
- reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines
- managing the delegation of duties to the Group's management;
- succession planning for senior management positions, including the assessment of future candidates for the Board to maintain its fairness and improve the quality of its member composition; and
- implementing shareholder communications policy and issuing timely statements of company developments, available on the Bursa website.

3. Hotelier segment, dealing with hotel operations

- regularly visiting the Palace Hotel and evaluating the quality of service provided
- keeping in contact with Palace Hotel management to review progress and advise if necessary

The Board is guided by the Board Charter which sets out the role, composition and responsibilities of the Board and is posted at the Company's corporate website (www.npc.com.my). The Board will review the Board Charter annually to ensure it remains consistent with the Board's objectives and responsibilities. In carrying out its role and responsibilities, the Board is further guided by the existing code of conduct formalised in the Group's Human Resource Handbook and its compliance is to be strictly observed throughout the Group.

The Board continues to adhere to the Code of Conduct for Directors which sets out the standard of conduct expected of Directors, with the aim to cultivate good ethical conduct that in turn promotes the values of transparency, integrity, accountability and social responsibility.

The Board recognises the importance of adhering to and complying with the provisions of the Code of Conduct in their day-to-day functioning. Thus, the Board collectively and individually acts within the authority conferred upon them in the best interest of the Group.

A Strategic Plan has been adopted as one of the key policies in ensuring that the Group crystallises its future plans and provides a clear direction for the Board and Officers of the Group. The Strategic Plan promotes sustainability and its sustainability policies and implementation are disclosed in the Sustainability Statement on page 21 -37 of the Annual Report 2024.

	<p>The Board has four standing committees to ensure that Board practices remain ethical and effective, while enhancing business and operational efficiency:</p> <ul style="list-style-type: none"> a) the Audit Committee (“AC”); b) the Remuneration Committee (“RC”); c) the Nomination Committee (“NC”); and d) the Risk Management Committee (“RMC”). <p>The membership and Terms of Reference of the Committees are as stated in the Annual Report 2024.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	Mr Lim Ted Hing was redesignated as Non-Independent Non-Executive Chairman of the Board on 31 March 2023. The key responsibilities of the Chairman include but are not limited to: <ul style="list-style-type: none">• providing leadership and guidance to the board so that the board can perform its responsibilities effectively;• determining the board agenda based on the dates of previous Board meetings in the annual meeting calendar, after reviewing that the minutes from the previous meeting were resolved, before circulating the information to each Board member;• chairing board meetings and discussions, and ensuring the discourse is conducted in an efficient manner;• promoting a boardroom environment that encourages active participation among board members and allows for dissenting views to be freely expressed;• managing the interface between board and management, making sure that there is clear and consistent communication between the two;• verifying that all company announcements are promptly released to the public and the relevant business statements are issued in a timely manner to provide effective communication with stakeholders, as well as ensuring that their views are heard by the Board as a whole; and• leading the board in establishing and monitoring good corporate governance practices in the company
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The position of the Chairman and the CEO are held by separate individual who are not related to each other, to ensure a good balance of power and authority, such that no one individual has unfettered powers in decision making.</p> <p>The Group Managing Director, Dato' Loo Pang Kee who also assumes the role of CEO, focuses on the business and day-to-day management of the Company.</p> <p>Guided by the Board's overall strategy, the responsibilities of the Group Managing Director cum CEO include:</p> <ul style="list-style-type: none">• formulating and successfully implementing company policy;• directing strategy towards the profitable growth and operation of the company;• developing strategic operating plans that reflect the longer-term objectives and priorities established by the board• maintaining an ongoing dialogue with the Chairman of the Board• putting in place adequate operational planning and financial control systems• ensuring that the operating objectives and standards of performance are not only understood but owned by the management and other employees• closely monitoring the operating and financial results against plans and budgets• taking remedial action where necessary and informing the Chairman and Board members of significant changes• maintaining the operational performance of the company is kept in line with the Company's business aims• monitoring the actions of the functional board directors• assuming full accountability to the Board for all company operations• building and maintaining an effective executive team. <p>The Chairman is responsible for managing the Board in order to achieve its objectives and lead the discussion at the Board level to encourage a healthy level of deliberation whilst the Group CEO is responsible for managing the Company and the Group as well as the implementation of the Board's policies and decisions. The Board is satisfied that no one individual can influence board discussions or decision-making.</p>

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

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	The Chairman of the board is not a member of the Audit Committee, Nomination Committee or Remuneration Committee.
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 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The board is supported by a suitably and qualified competent Company Secretary, Ms. Dorothy Luk Wei Kam is a Member of the Malaysian Institute of Chartered Secretaries (MAICSA). The Company Secretary holds the following responsibilities:</p> <ul style="list-style-type: none">• maintaining the company's statutory registers in accordance to the Companies Act 2016;• updating Company records on corporate and managerial decisions;• retaining Company records at the company's registered office;• advising the board of directors on their legal and corporate responsibilities and matters of corporate governance;• monitoring the developments in corporate governance regulations and facilitating the Board's application of the best practices of the Malaysian Code on Corporate Governance ("MCCG"), taking into account the Board's needs and stakeholders' expectations;• organising the company's board meetings and Annual General Meeting;• and recording clear, accurate and concise minutes of any Board meetings;• ensuring company compliance with legal obligations; and• acting as liaison between the company and its stakeholders and shareholders <p>During the financial year ending 31 December 2024, the Company Secretary has undertaken continuous professional development by attending MAICSA Annual Conference 2024 – Sustainability Today For Tomorrow.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company Secretary, in consultation with the Chairman and the Group Managing Director, issue a formal agenda with the relevant board meeting papers, at least one (1) week prior to each meeting. Any one of the Directors may at any time and the Company Secretary shall on requisition of a Director summon a meeting of Directors.</p> <p>All Directors have access to the advice and services of the Management and Company Secretary together with all information within the Group whether as full Board members or in their individual capacity, in furtherance of their duties. The appointment and removal of Company Secretaries are matters for the Board as a whole. The Board recognises the strong and positive support of the Company Secretary for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. Directors are informed and aware they may take independent professional advice, if necessary and appropriate in furtherance of their duties, at the expense of the Group.</p> <p>The Directors have unrestricted direct access to the Company's Senior Management and the services of the Company Secretary to enable them to discharge their duties and responsibilities effectively. The Board is regularly updated and advised on statutory and regulatory requirements by the Company Secretary who are suitably qualified, experienced and competent. The Company Secretary is responsible for providing clear and professional advice to the Board on all governance matters and assist the Board on the implementation of an effective corporate governance system.</p> <p>Apart from playing an active role in advising the Board on governance and regulatory matters, the Company Secretary also organises and attends all Board meetings and ensure that all Directors receive timely, clear and concise information in advance prior to the scheduled meetings. In order to ensure uniformity of Board conduct, the Company Secretary also provides oversight on the overall corporate secretarial functions of the Group and served as an adviser on matters pertaining to governance.</p>
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is guided by the Board Charter which sets out the role, composition and responsibilities of the Board and is posted at the Company's corporate website (www.npc.com.my). The Board will review the Board Charter annually to ensure it remains consistent with the Board's objectives and responsibilities, in accordance with the progressive needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.</p> <p>Any subsequent amendment to the Charter can only be approved by the Board. Apart from setting out the roles and responsibilities of the Board, the Board Charter also outlines the membership guidelines, procedures for Board Meetings, Directors' remuneration, and investor relations and shareholder communication.</p> <p>In carrying out its role and responsibilities, the Board is further guided by the existing code of conduct formalised in the Group's Human Resource Handbook and its compliance is to be strictly observed throughout the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board continues to adhere to the Code of Conduct for Directors which sets out the standard of conduct expected of Directors, with the aim to cultivate good ethical conduct that in turn promotes the values of transparency, integrity, accountability and social responsibility.</p> <p>The Board recognises the importance of adhering to and complying with the provisions of the Code of Conduct in their day-to-day functioning. Thus, the Board collectively and individually acts within the authority conferred upon them in the best interest of the Group.</p> <p>The Board also practices the following Code of Conduct:</p> <ul style="list-style-type: none">a) acts in the best interest of, and fulfils their fiduciary obligations to the Group and its shareholders;b) acts honestly, fairly, ethically and with integrity;c) conducts themselves in a professional, courteous and respectful manner without taking improper advantage of their position;d) acts in good faith, responsibly, with due care, competence and diligence without allowing their independent judgement to be subordinated;e) uses their prudent judgement to avoid/abstain from all situations, decisions or relationships which give or could give rise to conflict of interest or appear to conflict with their responsibilities within the Group, and to inform the Board, at the earliest opportunity, of any existing or potential conflict of interest situation;f) not exploit for his own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the Group declines to pursue such opportunity for its business interest;g) acts to enhance and maintain the reputation of the Group; andh) strives to contribute towards the growth and stability of the Group.
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>NPC adopts and practices the company Code of Conduct (“CoC”), which stands to preserve and cultivate ethical standards within the entire company. The CoC was introduced to help its employees make the right choices and act appropriately in response to any ethical dilemmas in their daily work.</p> <p>The CoC applies to all members of the Board, management personnel and employees. In addition, as part of Human Resources policy, every new employee is given to understand and sign Schedule III – Employee Code of Conduct (“ECoC”) as part of standard employment procedure.</p> <p>ECoC covers the following areas:</p> <ul style="list-style-type: none">• Appropriate conduct to preserve the Company’s reputation and image;• Procedure in the event of any legal proceedings against third party that might implicate the Company;• Confidentiality of private Company information;• Observance of all established Company policies and procedures;• Prohibition of all Insider Trading activities• Usage of Company property, belongings or services for own personal benefit or use• Personal use of own account in the name of the Company for any transactions with third parties;• Strict forbiddance of financial gifts or favours in money• Abuse of position in the Company for personal benefit• Solicitation of favours, gifts or offers of any form• The Code on Sexual Harassment (detailed in Schedule IV – Code of Practice on the Prevention and Eradication of Sexual Harassment in the Workplace• Steps to take to report serious breaches of discipline, and the deterrent actions in response <p>The CoC and ECoC are extensive but not exhaustive and the Group expects its employees to exercise sound judgement in their decision-making in order to adhere to the highest ethical standards. Both Codes</p>

	of Conduct will be reviewed periodically. All complaints against employees or the Board are taken seriously and seriously reviewed, with appropriate disciplinary penalties taken.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has taking into account sustainability integral to our way of conducting business in achieving our short- and long-term business aims. The Board values the responsibility of NPC for the impacts of its activities on its material economic, environmental and social risks and opportunities, and has used sustainability as a guiding principle in its decision-making and development processes. All material sustainability matters are driven by the Board assisted by respective geographical General Managers and its sustainability team members.</p> <p>In January 2019, the Group was granted the first Malaysian Sustainable Palm Oil (MSPO) certification for both the General Principles of Palm Oil Mill Management and Plantation Management Systems. Subsequently, in December 2019, Berkat Setia Palm Oil Mill received certification of conformity to the MSPO Supply Chain standards. Further advancing its commitment, in August 2020, the Group's Indonesian Palm Oil Mill and one of its plantations were accredited for conformity to the Indonesian Sustainable Palm Oil (ISPO) Certification. Most recently, on 20 April 2024, Berkat Setia Palm Oil Mill was certified for compliance with the International Sustainability and Carbon Certification (ISCC), including adherence to the Renewable Energy Directive (RED II) requirements</p> <p>Compliance with both MSPO and ISPO standards is one of the essential components of the Group for sustainable management and production of certified palm oil, to bring about positive social, environmental and economic impacts, while minimising the negative impacts, particularly on its people and the environment.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group recognises that the engagement and feedback of its stakeholders are an integral part of its sustainability strategies and initiatives.</p> <p>The stakeholders’ engagement process involves both formal and informal approaches. An overview of the efforts undertaken by the Group to further the engagement of its stakeholders are tabulated under page 22 - 23 of the Annual Report 2024.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group and the Board have demonstrated strong leadership in sustainability by proactively achieving key industry certifications ahead of the curve.</p> <p>In January 2019, the Group was granted the first Malaysian Sustainable Palm Oil (MSPO) certification for both the General Principles of Palm Oil Mill Management and Plantation Management Systems. Subsequently, in December 2019, Berkat Setia Palm Oil Mill received certification of conformity to the MSPO Supply Chain standards. Further advancing its commitment, in August 2020, the Group’s Indonesian Palm Oil Mill and one of its plantations were accredited for conformity to the Indonesian Sustainable Palm Oil (ISPO) Certification. Most recently, on 20 April 2024, Berkat Setia Palm Oil Mill was certified for compliance with the International Sustainability and Carbon Certification (ISCC), including adherence to the Renewable Energy Directive (RED II) requirements</p> <p>Notwithstanding these achievements, the Group is exploring further improvement in conducting its business in a more sustainable manner benefiting all stakeholders.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board recognises the importance of sustainability in all its business operation and had included sustainability as one of the criteria in the performance evaluations of all employees including its board members.</p> <p>An annual Board evaluation relating to ESG or Sustainability been carried out and concluded that the Management had performed well in ensuring that sustainability was built in its daily operation.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- 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 CEO and Executive Director are the designated persons on sustainability assisted by geographical General Managers 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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Nomination Committee regularly assesses the experience, the tenure, and diversity required collectively for the Board and ensures that it is periodically refreshed so that it can discharge its duties effectively.</p> <p>Nomination Committee reviews the performance of all directors including those seeking re-election based on competency, preparedness and independence (for independent directors) annually. Only those with satisfactory evaluation are recommended to the Board for re-election.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.2

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

Application	:	Applied																	
Explanation on application of the practice	:	<p>Appropriate board composition is fundamental to the success in providing strong and effective leadership. The breadth of knowledge, skills and experience of the individual Directors of NPC are outlined in the Directors' Profile section of the Annual Report 2024. The Company continues to have a strong mix of experienced individuals as Executive Directors together with Non-Executive Directors who are able to offer views and perspective on the business and often, constructively challenge the Group Managing Director. All debates include the participation of every Director, both Executive and Non-Executive, which allows the Board to utilise the experience and skills of each individual Director to their maximum potential and assists them in making decisions that are in the best interest of the Company.</p> <p>As of the financial year ending 31 December 2024, the Board composition is as follows, 50.0% (3 out of 6) of the Board members are independent.</p> <table border="1" data-bbox="558 1198 1404 1456"> <thead> <tr> <th>Designation</th> <th>Number of Directors</th> <th>Percentage (%)</th> </tr> </thead> <tbody> <tr> <td>Executive Director</td> <td>2</td> <td>33.3</td> </tr> <tr> <td>Non-Independent Non-Executive Director</td> <td>1</td> <td>16.7</td> </tr> <tr> <td>Independent Non-Executive Director</td> <td>3</td> <td>50.0</td> </tr> <tr> <td>Total</td> <td>6</td> <td>100.0</td> </tr> </tbody> </table>			Designation	Number of Directors	Percentage (%)	Executive Director	2	33.3	Non-Independent Non-Executive Director	1	16.7	Independent Non-Executive Director	3	50.0	Total	6	100.0
Designation	Number of Directors	Percentage (%)																	
Executive Director	2	33.3																	
Non-Independent Non-Executive Director	1	16.7																	
Independent Non-Executive Director	3	50.0																	
Total	6	100.0																	
Explanation for departure	:																		
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Measure	:																		
Timeframe	:																		

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>In accordance with the Constitution of the Company, all Directors who are appointed by the Board are subject to election by shareholders at the next Annual General Meeting after their appointment. The Constitution also provide that at least one third of the remaining Directors be subject to re-election by rotation at each Annual General Meeting and that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.</p> <p>The Board considered the independence of the Directors and their other commitments when they were first appointed or in the event there are changes in circumstances that warrant re-evaluation of the Directors' independence. The Company promotes open and honest communication among Board members to reinforce the independence of Independent Directors.</p> <p>On 22 April 2024, the NC met to consider and recommend the:-</p> <ul style="list-style-type: none">(a) proposed re-election of Mr Lim Ted Hing retiring as a director pursuant to Clause 100 of the Company's Constitution, at the conclusion of the 24th Annual General Meeting;(b) proposed re-election of Datuk Goh Giok Yee, retiring as a director pursuant to Clause 97 of the Company's Constitution, at the conclusion of the 24th Annual General Meeting; and(c) proposed re-election of Mr Chai Chih Kai, retiring as a director pursuant to Clause 97 of the Company's Constitution, at the conclusion of the 24th Annual General Meeting. <p>In addition to the annual Director review assessment criteria listed above, the Board considers whether retaining an Independent Director serves to reinforce the integrity of the Board. All retained Independent Directors, were further assessed and found to remain independent in character and judgement, by:</p> <ul style="list-style-type: none">a) consistently demonstrating independence of judgment during deliberations at Board meetings;b) acting independently of management while in line with Company policies and strategies;

	<p>c) continually demonstrating clarity of thought, objectivity and impartiality on problem solving during deliberations at Board meetings;</p> <p>d) providing relevant and discerning views and opinions that carry significant weight in the Board's decision-making process; and</p> <p>e) refraining from any action that would lead to loss of her/his independence.</p> <p>It was established that all Independent Directors up for retainment were found to remain independent. The Board was satisfied with the level of independence demonstrated by them throughout the financial year ending 31 December 2024 and their ability to act in the best interest of NPC.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

Practice 5.4 - 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>	
Application	: Adopted
Explanation on adoption of the practice	: The board will redesignate any independent directors who served the board more than nine years to non-independent directors. As of date of the issuance of the Annual Report 2024, all independent directors are serving to the board is less than nine years.

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has put in place the necessary selection criteria for the appointment of Directors. Through the NC, the Directors are assessed annually and the findings are analysed for review and endorsement by the Board.</p> <p>All nominees and candidates to the Board are first considered by the NC, taking into consideration the combination of skills, competencies, experience, integrity, time commitment and other character qualities required to effectively discharge his or her role as a director. The NC will then table the considered nominees and candidates for approval to the Board.</p> <p>NPC has promoted a culture aspires to ensure a diverse and inclusive board that will leverage on differences in thoughts, perspectives, knowledge, skills, regional and industry experiences, cultural and geographical background, age, ethnicity and gender to achieve effective stewardship and management which in turn will lead to its competitive advantage. The Company recognises that a diverse Board in the Company could offer greater depth and breadth compared to non-diverse Board, whilst the diversity at Senior Management will lead to better decisions, and pursues diversity in both the Board level and Senior Management.</p> <p>As of 31 December 2024, the Board is consisted of a diversified background and specialisation, collectively bringing with them a wide range of experience and expertise in areas such as business, finance, accounting, auditing, company secretarial, legal, real estate and managerial. The profiles of the Directors are provided on pages 3 to 4 of the Annual Report 2024.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee (“NC”) was established by the Board on 22 November 2002. It is entrusted with the responsibility to review, on an annual basis, the structure, size, and composition of the Board; to identify and nominate suitable candidates to fill Board vacancies; and to recommend the re-election of Directors who are retiring by rotation. All candidates are assessed using the same rigorous criteria and evaluation process applied in the annual Director assessment. The list of criteria is outlined under Practice 6.1: Directors’ Annual Review, in this Corporate Governance Statement.</p> <p>Beyond these criteria, the NC also engages in a thorough evaluation and discussion of each candidate’s potential to complement the existing Board dynamics and alignment with the Company’s ethos and strategic direction. The Committee ensures that an appropriate induction and ongoing training programme is in place for newly appointed Board members, supporting their integration and effectiveness.</p> <p>The NC is supported by the Company Secretary, who is responsible for ensuring that all Board appointments are properly executed and that relevant documentation and disclosures are duly maintained in accordance with regulatory requirements.</p> <p>During the financial year ended 31 December 2024, the NC convened two meetings. The first meeting, held on 26 February 2024, focused on assessing the effectiveness of the Board, its Committees, and the contribution of individual Directors. The Committee was satisfied with the continued effectiveness and performance of the Board. In the second meeting, held on 22 April 2024, the NC considered and recommended the re-appointment and retention of existing Board members. The next review of Board membership is scheduled for the Committee’s upcoming meeting in 2025.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 5.7

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The details of the Directors interest, position and experience are set out in the Directors’ profile in page 3 - 4 of the Annual Report 2024. The performance of the retiring directors is assessed by the Nomination Committee and Board before recommendation is made to the shareholders for consideration.</p> <p>For independent directors, the Nomination Committee also assess their relationship with the executives that might influence, or reasonably be perceived to influence their capacity to bring an independent judgement and to act in the best interests of the listed company as a whole.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	NC comprises two Independent NEDs. The members as at the date of the Annual report 2024 are: <ol style="list-style-type: none"> 1. Dato' Ooi Sek Min - Chairman 2. Hajah Shakinur Ain Binti Hj Karama – Member 	
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 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	The board comprises 50.0% women directors as at date of the Annual Report 2024.	
Explanation for departure	:	Please provide an explanation on how the practice is being applied.	
<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	:	<p>The Board notwithstanding the view that diversity should be in tandem with expertise, experience and skills and not gender alone acknowledges the importance of the establishment of a gender diversity board.</p> <p>The Board, especially the Nomination Committee, believes that it is more important to have the right mix of skills, experience and cultural background at the board instead of the percentage itself in order to enable the Board to perform effectively.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: In making recommendations and performing its annual review, NC considers the following criteria: (a) Commitment to the business and level of participation in the company; (b) Group dynamic of the Board; (c) Suitability and diversity of the abilities, skills, knowledge, expertise and experience contributed to help achieve Company business aims; (d) Technical competencies in areas of specialty; (e) Level of professionalism, ethical standards and integrity; and (f) In the case of Audit Committee members, each member's ability to discharge responsibilities and functions as required such as the ability to read, analyse and interpret financial statements. The Group has empowered the NC to assess the effectiveness of the Board as a whole, its committees including the AC, and the contribution of each individual Director. The NC conducts a formal performance evaluation of the Directors, assessment of independence of Independent Directors and performance evaluation for the AC on an annual basis. As part of its review, the NC conducts the assessment using the Audit Committee evaluation form and Performance Evaluation Sheet – Board committees guided by the 4th Edition of the Corporate Governance Guide which is circulated among the Directors at the beginning of each financial 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 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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p><u>Remuneration of Directors</u></p> <p>The remuneration package for Executive Directors is reviewed by the Remuneration Committee and subsequently recommended to the Board for consideration and approval. In determining appropriate remuneration levels, the Committee takes into account the individual's responsibilities, performance, industry benchmarks, and the overall performance and condition of the industry.</p> <p>The Executive Directors do not participate in any deliberations or decisions relating to their own remuneration. For Non-Executive Directors, the Board as a whole reviews and determines their remuneration, taking into consideration the Directors' experience, expertise, responsibilities, and the prevailing market conditions. Each Non-Executive Director abstains from deliberating or voting on their own remuneration.</p> <p>The Directors' fees and allowances are subject to approval by shareholders at the Annual General Meeting. This ensures transparency and accountability in the determination of Board remuneration, in line with good corporate governance practices.</p> <p><u>Remuneration of Senior Management</u></p> <p>The remuneration of senior management is performance-based and aligned with the achievement of both corporate objectives and individual performance contributions to the Group. Performance appraisals for senior management are conducted and reviewed by the Executive Directors, ensuring that remuneration outcomes reflect merit, accountability, and the value delivered to the Group.</p>

<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	:	<p>Remuneration Committee was established by the Board on 22 November 2002. The RC comprises two INEDs. The members as at the date of the Annual Report 2024 are:</p> <ol style="list-style-type: none">1. Dato' Ooi Sek Min – Chairman2. Hajah Shakinur Ain Binti Hj Karama – Member <p>The Board as a whole determines the remuneration of the Directors, with individual Directors abstaining from decisions in respect of their own remuneration. The RC is delegated with the following duties in accordance with its approved terms of reference:</p> <ul style="list-style-type: none">• To annually review in a formal and transparent manner, the remuneration packages of all the Executive Directors and make recommendations therewith; and• To recommend to the Board the Company's framework for retaining and rewarding the Executive Directors. <p>The Terms of Reference was published on the Company website (www.npc.com.my).</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 8.1

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

Application	:	Applied																		
Explanation on application of the practice	:	<p>The Remuneration Committee convened one meeting during the financial year 2024. The meeting, held on 26 February 2024, focused on reviewing and recommending revisions to the remuneration of the Executive Directors for the financial year 2024. In its deliberation, the Committee took into consideration industry remuneration benchmarks, the Group's financial performance for the year ended 2023, and the scope of responsibilities undertaken by the Executive Directors.</p> <p>The details of the remuneration for the Directors of the Group during the financial year ended 31 December 2024 are as follows:</p> <table border="1"><thead><tr><th>Directors' Remuneration</th><th>Executive Directors</th><th>Non-Executive Directors</th></tr></thead><tbody><tr><td></td><td>RM'000</td><td>RM'000</td></tr><tr><td>Fees</td><td>11</td><td>32</td></tr><tr><td>Emoluments</td><td>3,901</td><td>369</td></tr><tr><td>Benefits-in-kind</td><td>14</td><td>-</td></tr><tr><td>Total</td><td>3,926</td><td>401</td></tr></tbody></table>	Directors' Remuneration	Executive Directors	Non-Executive Directors		RM'000	RM'000	Fees	11	32	Emoluments	3,901	369	Benefits-in-kind	14	-	Total	3,926	401
Directors' Remuneration	Executive Directors	Non-Executive Directors																		
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Benefits-in-kind	14	-																		
Total	3,926	401																		

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' Loo Pang Kee	Executive Director	11	0	1,276	-	14	218	1,519	11	0	2,502	-	14	822	3,349
2	Lim Ted Hing	Non-Executive Non-Independent Director	11	138	0	0	0	24	173	11	138	0	0	0	24	173
3	Dato' Ooi Sek Min	Independent Director	11	75	0	0	0	10	96	11	75	0	0	0	19	96
4	Hajah Shakinur Ain Binti Hj Karama	Independent Director	7	54	0	0	0	7	68	7	54	0	0	0	7	68
5	Datuk Goh Giok Yee	Independent Director	3	54	0	0	0	7	64	3	54	0	0	0	7	64
5	Chai Chih Kai	Executive Director	0	0	397	0	0	178	577	0	0	397	0	0	178	577

Intended Outcome

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

Practice 8.2

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

Application	:	Departure														
Explanation on application of the practice	:															
Explanation for departure	:	<p>The Board is of the view that disclosing the names and detailed remuneration packages of Senior Management — including salary, bonuses, benefits-in-kind, and other emoluments — would not be in the best interest of the Group. Such disclosure may compromise confidentiality and increase the risk of key personnel being targeted by competing plantation companies.</p> <p>Nonetheless, the Board is committed to ensuring that the remuneration of Senior Management is fair, competitive, and aligned with the Group's overall performance. The remuneration framework is designed to attract, retain, and motivate high-calibre individuals who are capable of driving the Group's long-term success and sustainability.</p> <p>The board discloses the top 5 senior management's remuneration of the Group and Company in bands of RM50,000 as below:</p> <table border="1" data-bbox="571 1444 1390 1742"> <thead> <tr> <th></th> <th>NUMBER OF SENIOR MANAGEMENT</th> </tr> <tr> <th></th> <th>Group</th> </tr> <tr> <th>RM</th> <th></th> </tr> </thead> <tbody> <tr> <td>150,001 to 200,000</td> <td>2</td> </tr> <tr> <td>200,001 to 250,000</td> <td>1</td> </tr> <tr> <td>250,001 to 300,000</td> <td>1</td> </tr> <tr> <td>300,001 to 350,000</td> <td>1</td> </tr> </tbody> </table>		NUMBER OF SENIOR MANAGEMENT		Group	RM		150,001 to 200,000	2	200,001 to 250,000	1	250,001 to 300,000	1	300,001 to 350,000	1
	NUMBER OF SENIOR MANAGEMENT															
	Group															
RM																
150,001 to 200,000	2															
200,001 to 250,000	1															
250,001 to 300,000	1															
300,001 to 350,000	1															
<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 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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	:	<p>The Chairman of Audit Committee is not the Chairman of the Board. The current composition of the Committee and the respective members' designations are as follows:</p> <table border="1"><thead><tr><th>Name</th><th>Designation</th><th>Board Directorship</th></tr></thead><tbody><tr><td>Dato' Ooi Sek Min</td><td>Chairman</td><td>Independent Non-Executive Director</td></tr><tr><td>Hajah Shakinur Ain Binti Hj Karama</td><td>Member</td><td>Independent Non-Executive Director</td></tr><tr><td>Datuk Goh Giok Yee</td><td>Member</td><td>Independent Non-Executive Director</td></tr></tbody></table> <p>The Audit Committee was established by the Board on 19 March 2002. Its Chairman, Dato' Ooi Sek Min, together with committee member Datuk Goh Giok Yee, are members of the Malaysian Institute of Accountants (MIA), fulfilling the financial expertise requirement. The Company has complied with the Malaysian Code of Corporate Governance 2021 as well as Paragraph 15.10 of the Bursa Malaysia Listing Requirements, which stipulate that all Audit Committee members must be Non-Executive Directors.</p>	Name	Designation	Board Directorship	Dato' Ooi Sek Min	Chairman	Independent Non-Executive Director	Hajah Shakinur Ain Binti Hj Karama	Member	Independent Non-Executive Director	Datuk Goh Giok Yee	Member	Independent Non-Executive Director
Name	Designation	Board Directorship												
Dato' Ooi Sek Min	Chairman	Independent Non-Executive Director												
Hajah Shakinur Ain Binti Hj Karama	Member	Independent Non-Executive Director												
Datuk Goh Giok Yee	Member	Independent Non-Executive Director												
Explanation for departure	:													
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>														
Measure	:													
Timeframe	:													

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Terms of Reference of the Audit Committee has a policy requirement that a former key audit partner is subject to observe a cooling-off period of at least 2 years before he or she could be appointed as a member of the Audit Committee.</p> <p>This is to preserve the independence of the Audit Committee and to avoid any potential disadvantages which may arise in the event that a former key audit partner is deemed to be in advantageous position to exert significant influence over the audit and preparation of the audited financial statements. Prior to date of this revision, there have been no past incidents of non-compliance, as none of the previous Audit Committee members have been key audit partners.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The AC has policies and procedures to assess the suitability, objectivity and independence of the external auditor, the AC enhance the External Auditor Assessment Policy in the AC Terms of Reference, which was published on the Company website (www.npc.com.my).</p> <p>The Policy details the process by which the AC uses to rigorously and formally review the external auditor. The assessment includes:</p> <ul style="list-style-type: none">• the procedures for the selection and appointment of the external auditor, should the AC determine the need for a change of external auditors• the selection criteria for potential candidates to replace existing external auditors; and• the measures for evaluating the existing external auditors' independence. <p>The AC will conduct this review on an annual basis and present its decision to the Board during the Company Annual General meeting. Pursuant to Section 271 (1) of the Companies Act 2016, the Company shall appoint or re-appoint the external auditors of the Company for each financial year. The Board will conduct said appointment or re-appointment at each Annual General Meeting, and the external auditors so appointed shall, hold office until the conclusion of the next Annual General Meeting of the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted												
Explanation on adoption of the practice	:	<p>The Audit Committee was established by the Board on 19 March 2002 and, as at the date of this Annual Report 2024, comprises solely Independent Non-Executive Directors, as follows:</p> <table border="1"><thead><tr><th>Name</th><th>Designation</th><th>Board Directorship</th></tr></thead><tbody><tr><td>Dato' Ooi Sek Min</td><td>Chairman</td><td>Independent Non-Executive Director</td></tr><tr><td>Hajah Shakinur Ain Binti Hj Karama</td><td>Member</td><td>Independent Non-Executive Director</td></tr><tr><td>Datuk Goh Giok Yee</td><td>Member</td><td>Independent Non-Executive Director</td></tr></tbody></table>	Name	Designation	Board Directorship	Dato' Ooi Sek Min	Chairman	Independent Non-Executive Director	Hajah Shakinur Ain Binti Hj Karama	Member	Independent Non-Executive Director	Datuk Goh Giok Yee	Member	Independent Non-Executive Director
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Datuk Goh Giok Yee	Member	Independent Non-Executive Director												

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>All members of the Audit Committee are financially literate, and two (2) of its members are also members of the Malaysian Institute of Accountants (MIA). The Committee comprises individuals with extensive experience and expertise in accounting, finance, and other relevant fields. They are highly qualified and possess the depth and breadth of knowledge necessary to assess the accuracy and integrity of the Group's and the Company's financial statements. Their reviews and findings are presented to the Board with recommendations for approval. Detailed profiles of each Audit Committee member can be found in the Directors' Profile section on pages 3 to 4 of this Annual Report 2024.</p> <p>The Board evaluates the performance and term of office of the Audit Committee and each of its members at least once every three (3) years to ensure they have discharged their duties effectively and in accordance with their Terms of Reference. As part of this evaluation process, the Audit Committee Evaluation Form and the Audit Committee Members' Self and Peer Evaluation Form—sourced from the 4th Edition of the Corporate Governance Guide—are circulated to Committee members. The results are then used by the Board to assess the continued effectiveness of the Committee in fulfilling its responsibilities.</p> <p>In the financial year ending 31 December 2024, the Audit Committee members underwent continuous professional development and training to keep themselves abreast with any updates in their respective fields, including:</p> <ul style="list-style-type: none">• Understanding Recovering of Islamic Banking Products Seminar organised by Sabah Law Society• Real Estate Negotiators Renewal organised by Lembaga Penilai, Pentaksir, Ejen Harta Tanah dan Pengurus Harta

	<ul style="list-style-type: none"> • Mandatory Accreditation Programme Part II: Leading for Impact (LIP) organised by Institute of Corporate Directors Malaysia 	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board places strong emphasis on maintaining a sound system of internal controls to safeguard the Group's assets and protect shareholders' investments. In this regard, the Board affirms its overall responsibility for establishing, maintaining, and reviewing the Group's internal control system, which includes risk management practices as well as financial, operational, and compliance controls.</p> <p>The Board recognises its responsibility in evaluating the adequacy and effectiveness of the Group's internal control and risk management systems. An ongoing process is in place for identifying, assessing, and managing key risks across the Group, and this process has remained active and relevant throughout the financial year under review. The Board also ensures that the Annual Report and accompanying financial statements reflect the current and accurate financial position of the Group. It is acknowledged, however, that any internal control system can only provide reasonable, and not absolute, assurance against material misstatements, fraud, or loss, as it is designed to manage rather than eliminate risk.</p> <p>The primary objective of the Board in managing the Group's risks is to ensure alignment with the achievement of the Group's strategic and operational goals. In line with the requirements of Bursa Malaysia Securities Berhad and best practices in corporate governance, the Group has formalised a Risk Management Framework that guides risk identification, assessment, mitigation, and monitoring. This framework is reviewed annually by the Board to ensure its continued relevance and effectiveness.</p> <p>Responsibility for the day-to-day management of identified principal risks lies with the respective process owners, who are tasked with evaluating existing controls and implementing appropriate action plans. The Executive Directors play a pivotal role in overseeing the Group's strategic direction and in continuously monitoring significant operational matters to ensure risks are effectively managed and the Group's objectives are achieved.</p>

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

Intended Outcome

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

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

Practice 10.2

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	:	<p>The Board has established a robust risk management framework and sound internal control practices to safeguard the business interests of the Group. These measures are designed to mitigate risk events that could impede the achievement of strategic objectives and sustainable growth, while also providing assurance to stakeholders regarding the integrity and resilience of the Group's operations.</p> <p>Regular meetings are held at the head office, operational sites, and via video conferencing to identify, deliberate on, and resolve key business and operational issues. The Board remains informed of, and involved in, significant matters arising from these meetings when necessary. Executive Directors are actively engaged in the day-to-day operations of the Group, ensuring prompt attention to operational and strategic matters.</p> <p>The Group maintains a well-defined organisational and management structure with clear lines of responsibility and delegated authority. This includes proper segregation of duties to safeguard assets and ensure accountability. A hierarchical reporting structure has been established, supported by documented processes that provide an auditable trail of decision-making and accountability. The Group's organisation chart includes the Management Committee, chaired by the Group Managing Director.</p> <p>The Management Committee meets monthly, either at the head office or operational sites, to review and assess the performance of the Group's operations. These meetings ensure that operational activities align with the standards and expectations set by the Board. The Group also employs a structured performance appraisal system that links employee remuneration to individual performance, reinforcing a performance-driven culture.</p> <p>The Board reviews and approves the Group's annual budget. The budgeting process begins with the preparation of detailed budgets at the individual operating unit level, which are reviewed and approved by head of department before being submitted to the Board. Actual results are continuously monitored against the approved budget, with</p>

	<p>significant variances highlighted and investigated. Corrective measures are undertaken where necessary to address performance gaps.</p> <p>The AC plays a key role in reviewing the adequacy and effectiveness of the Group’s internal control systems. It evaluates findings reported by both internal and external auditors, and assesses the appropriateness of management’s responses and corrective actions. This ensures that any lapses or deficiencies are addressed in a timely and effective manner.</p> <p>The Statement on Risk Management and Internal Control, as presented on pages 47 to 48 of this Annual Report 2024, provides an overview of the Group’s risk management and internal control environment as governed by its Risk Management Framework. This statement has been reviewed by the external auditors, PKF PLT of Malaysia, who have reported to the Board that nothing has come to their attention that causes them to believe the statement is inconsistent with their understanding of the internal control and risk management processes adopted by the Group.</p> <p>This Statement on Risk Management and Internal Control was approved by the Board of Directors on 21 April 2025.</p>	
Explanation for departure		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure		
Timeframe		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Board assumes overall responsibility for maintaining a sound system of internal control and risk management to safeguard the Group's assets and ensure the achievement of its strategic objectives. This responsibility is supported by the Risk Management Committee ("RMC"), which plays a key role in determining the Group's risk appetite, and in actively identifying, assessing, and monitoring key business risks.</p> <p>The RMC ensures that risk management practices are embedded across all levels of the organisation to support the delivery of long-term shareholder value, while protecting the interests of minority shareholders and other stakeholders.</p> <p>Further details on the Group's Risk Management and Internal Control Framework are outlined in the Statement on Risk Management and Internal Control in the Annual Report 2024.</p>

Intended Outcome

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

Practice 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board places strong emphasis on maintaining a sound system of internal controls to safeguard the Group’s assets and protect shareholders’ investments. Ongoing reviews are conducted throughout the financial year to identify, evaluate, monitor, and manage significant risks affecting the business, ensuring that adequate and effective controls are in place. These continuous review processes are carried out by the Group’s independent and well-resourced internal audit function, working in collaboration with the Company’s management team.</p> <p>Details of the internal audit function and the Audit Committee’s oversight responsibilities are outlined in the Audit Committee Report on page 46 of this Annual Report 2024.</p> <p>The Board is satisfied that the internal audit function remains effective and continues to operate with the required level of independence to provide objective assurance and support the Group’s governance and risk management efforts.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board remains committed towards continuous improvement and enhancement of its internal controls to ensure that there is increased certainty of the achievement of business objectives, thus enhancing the shareholders' value.</p> <p>The Group has an in-house internal audit team with relevant experience and education to ensure the internal control of the operations in Sabah and Indonesia is in place. The in-house internal audit team reports directly to the Audit Committee. The Group's internal audit was carried out based on the Internal Audit plan that was reviewed by the Audit Committee and approved by the Board.</p> <p>The amount of internal audit fees payable to the internal auditors for the year is RM189,000.</p> <p>The risk based internal audit approach has examined, evaluated and ensured compliance with the Group's policies, procedures and system of controls. It has also evaluated the effectiveness of the internal control system and assessed the consequences of any potential risks and suggested any improvements required.</p> <p>The internal audit function is independent of the activities or operations of other operating units. The in-house internal auditors are free from any relationships or conflicts of interest, which could impair their objectivity and independence.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>NPC Group values its relationship with its shareholders and various stakeholders and ensures that its communication is transparent, timely and with quality disclosure. The Group engages all its stakeholders through several platforms including the announcements via its Company website (www.npc.com.my), which has a Bursa link that leads to further company disclosures on its company Bursa Malaysia webpage (http://www.bursamalaysia.com/market/listed-companies/list-of-companies/plc-profile.html?stock_code=5047).</p> <p>The Board is committed to promoting effective shareholder engagement and encouraging active participation to foster a greater understanding of the Group's business, governance practices, and financial performance. The Board recognises the AGM as the primary platform for direct dialogue with shareholders and is committed to ensuring that shareholders are provided with the opportunity to raise questions and engage in meaningful discussions regarding the Group's activities.</p> <p>To support informed decision-making, each item of special business in the Notice of Meeting is accompanied by a detailed explanatory statement, providing clarity on the background and rationale for the proposed resolutions. In the case of Director re-elections, the Board ensures that comprehensive information is disclosed in the notice regarding Directors who are retiring by rotation and who are offering themselves for re-election.</p> <p>Shareholders seeking clarification, wishing to raise enquiries, or address any concerns are encouraged to contact the Company in advance of the AGM through the corporate website, dedicated email, or telephone hotline. All relevant questions submitted prior to the meeting will be read aloud and addressed during the proceedings. Responses to these enquiries will also be published on the corporate website as soon as practicable following the meeting.</p> <p>At the outset of each general meeting, the Chairman will inform shareholders of their right to demand a poll vote for each resolution, in</p>

	<p>line with best practices for transparent and equitable voting procedures.</p> <p>Throughout the financial year ended 31 December 2024, the Board ensured the timely and accurate dissemination of information to stakeholders. This includes the publication of the Annual Report, quarterly financial results, and other regulatory disclosures, providing shareholders with consistent access to comprehensive and up-to-date information on the Group's performance and governance.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

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

Practice 12.2

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

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Group acknowledges the benefits of integrated reporting as promoted under the MCCG, particularly its role in enhancing transparency, long-term value creation, and providing stakeholders with a holistic view of the organisation's strategy, governance, performance, and prospects.</p> <p>However, the Group has not adopted a fully integrated reporting framework at this stage. This is primarily due to the existing focus on strengthening internal reporting systems and aligning current reporting practices with the Group's evolving business model. While elements of integrated reporting such as sustainability disclosures and risk management insights are already embedded within the Annual Report, a full transition to an integrated reporting framework based on globally recognised standards is still under evaluation.</p> <p>The Group remains committed to enhancing disclosure quality and will progressively move towards a more integrated approach in its future reporting cycles, taking into account stakeholder expectations, reporting readiness, and industry best practices.</p>	
<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	:	<p>The date of AGM for year ending 31 December 2023 was 10 June 2024. The notice of the AGM was issued on 30 April 2024 which was >28 days prior to the date of the AGM, in keeping with the 28-day requirement of Practice 13.1 of the MCGG 2021.</p> <p>The additional time given to shareholders allows them to make the necessary arrangements to attend and participate in person or through corporate representatives, proxies or attorneys. More importantly, it enables the shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the general meeting.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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	:	Majority of Board members, the Company Secretary and the External Auditors were present to respond to questions from the shareholders during the 24th AGM held on 10 June 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

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	:	For each of the AGM, NPC provides Proxy Forms to the shareholders who are unable to be present at General Meetings to sign in advance, which entitles them to appoint one (1) but not more than two (2) proxies to attend the Meeting and vote on their behalf.	
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.

<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>		
Application	:	Applied
Explanation on application of the practice	:	At each general meeting, the Company provided a questions and answers session for all shareholders to pose questions and were answered by 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

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Not applicable – only physical general meetings were conducted in the financial year
Explanation on application of the practice :	
Explanation for departure :	The 24th Annual General Meeting was conducted physically.
<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 outcome of the 24th AGM was published Bursa Malaysia's Company Announcement immediately after the general meeting. The minutes of the AGM was published on the Company's website after the 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	:

**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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