

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0281
COMPANY NAME : DAYTHREE DIGITAL BERHAD
FINANCIAL YEAR : December 31, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("Board") of Daythree Digital Berhad ("Daythree" or the "Company") holds the collective responsibility for achieving the objectives and goals of the Company and its subsidiaries (the "Group"). Guided by its Board Charter, the Board ensures the effective discharge of its functions. The Board Charter clearly outlines the duties and responsibilities of the Board, elaborated upon below:</p> <ul style="list-style-type: none">(a) setting the corporate values and promoting together with the Key Senior Management ("KSM"), good corporate governance culture within the Group;(b) reviewing and adopting a strategic plan for the Group.(c) overseeing the conduct of the Group's business;(d) identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures;(e) ensuring KSM possesses required skills, experience, and measures are in place to provide orderly succession planning of the Board and KSM;(f) overseeing the development and implementation of a stakeholder communications policy for the Group; and(g) reviewing the adequacy and the integrity of the management information and internal control systems of the Group. <p>The Board delegates its authority to three (3) Board Committees to effectively discharge its stewardship role. Each Board Committee operates within approved Terms of Reference. The Chairman of each Board Committees reports to the Board on delegated matters and their recommendations. The Board exercises collective oversight of the Board Committees and holds ultimate responsibility for decision-making.</p> <p>The established Board Committees are:</p> <ul style="list-style-type: none">(a) Audit and Risk Management Committee ("ARMC");

	(b) Nominating Committee ("NC"); and (c) Remuneration Committee ("RC"). The Board Charter is accessible through the Company's website at www.daythree.com .	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board, Dato' Ting Heng Peng represents the Board to carry out a leadership role in the conduct of the Board and its relations with the shareholders and other stakeholders.</p> <p>The roles and responsibilities of the Chairman of the Board are clearly specified in the Board Charter. The Chairman is primarily responsible for:</p> <ul style="list-style-type: none">(a) acting as chief spokesperson and representative of the Board and the Group;(b) representing the Board to shareholders and chairing general meeting of shareholders;(c) ensuring the adequacy and integrity of the governance process and issues;(d) facilitating meetings of the Board to ensure that no member, whether executive or non-executive, dominates discussion, that appropriate discussions takes place and that relevant opinions among members is forthcoming. The Chairman will ensure that discussions result in logical and understandable outcomes;(e) ensuring that all Directors are enabled and encouraged to participate in its activities. This includes ensuring that all relevant issues are on the agenda and that all Directors receive timely, relevant information tailored to their needs and that they are properly briefed on issues arising at Board meetings;(f) ensuring that executive Directors look beyond their executive function and accept their full share of responsibilities of governance and provide regular updates on all issues pertinent to the welfare and future of the Group to the Board;(g) liaising and co-ordinating input from all Directors, especially Board Committees' Chairman, to optimise the effectiveness of the Board and its Committees;(h) guiding and mediating Board actions with respect to organisational priorities and governance concerns;

	(i) undertaking the primary responsibility for organising information necessary for the Board to deal with items on the agenda and for providing this information to Directors on a timely basis; and (j) performing other responsibilities assigned by the Board from time to time.	
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 Board has implemented a clear demarcation between the position of Chairman and Managing Director, ensuring they are held by different individuals.</p> <p>Chairman - Dato' Ting Heng Peng Managing Director - Mr. Paul Raymond Raj A/L Davadass</p> <p>Separation of the positions of the Chairman and Managing Director fosters accountability, clarifies responsibilities, and prevents any individual from unduly influencing the Board's discussions and decision-making processes.</p> <p>The Chairman leads the Board in its collective oversight of management, while the Managing Director focuses on the business and day-to-day management of 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

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	:	Dato' Ting Heng Peng, the Independent Non-Executive Chairman of the Company, is not a member of ARMC, NC, and RC.
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 Group is currently outsourcing the corporate secretarial function to Cospec Management Services Sdn. Bhd. ("CMS").</p> <p>The Board is supported by two (2) qualified and experienced Company Secretaries under Section 235(2) of the Companies Act 2016 ("Act") and are registered holders of the Practising Certificate issued by the Companies Commission of Malaysia.</p> <p>The Company Secretaries play an important role in facilitating the overall compliance with the Act, ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Malaysian Code on Corporate Governance ("MCCG") and other relevant laws and regulations. The Company Secretaries team also assist the Board and Board Committees to function effectively and in accordance with their Terms of Reference and best practices and ensure adherence to the existing Board policies and procedures. In order to discharge the roles effectively, the Company Secretaries have been continuously attending the necessary training programmes so as to keep abreast with the latest developments in the corporate governance realm and changes in regulatory requirements that are relevant to their profession and enable them to provide the necessary advisory role to the Board.</p> <p>The Board has direct access to the professional advice and services of the Company Secretary when performing their duties and discharging their responsibilities.</p> <p>During the financial year under review, all Board and Board Committees meetings were properly convened and accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.</p> <p>Overall, the Board is satisfied with the service and support rendered by the Company Secretary and her team to the Board in the discharge of their functions.</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 1.6

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 Board meets at least four (4) times in a financial year, with additional meetings scheduled as necessary. To facilitate effective planning, an annual meeting calendar is prepared and circulated to all Directors well in advance, enabling them to organise their schedules accordingly. The calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees, as well as the Annual General Meeting ("AGM"). The closed periods for dealings in securities by Directors and principal officers based on the scheduled dates of meetings for making announcements of the Group's quarterly results were also provided therein.</p> <p>The Notice of Board Meeting, Agenda, and Board Papers are provided in a timely manner, at least five (5) working days prior to the Board Meetings, to enable Directors to review these materials in advance and facilitate meaningful deliberations during each meeting.</p> <p>The deliberations and conclusions of matters discussed in the Board or Board Committees meetings are duly recorded in the minutes of meetings. The draft minutes of which are circulated for the Board and Committee Chairmen's review within a reasonable timeframe after the meeting. The minutes of meeting accurately captured the deliberations and decisions of the Board and/or Board Committees, including whether any Director abstains from voting or deliberating on particular matter.</p> <p>In the intervals between scheduled Board and Board Committees meetings, for exceptional matters requiring urgent Board decisions, Board and Board Committees decisions are obtained via additional ad-hoc meetings convened or written resolutions which are supported with board papers, providing information necessary for the Board and Board Committees' deliberation to ensure the Directors can make informed decisions. All written resolutions approved by the Board will be tabled for notation at the next Board Meeting.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

There is 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 Charter sets out, among others, the role, responsibilities, structure and processes of the Board, ensuring alignment with best practices of MCCG.</p> <p>The Board Charter is vital for effective governance within the Group. It clarifies the roles, responsibilities, and authority of the Board, to enhance coordination and communication between the Board and management, and more specifically, to clarify the accountability of both the Board and management. By providing guidance for decision-making processes, and aligning with best practices, the Board Charter promotes consistency and integrity in Board practices. The establishment of a Board Charter improves Board effectiveness, facilitates stakeholder confidence, and ultimately contributes to the Group's long-term success and sustainability.</p> <p>The Board Charter is subject to review from time to time, and necessary amendments will be made to ensure its relevance, effectiveness, and alignment with the evolving needs and circumstances of the Group. This process involves a periodic assessment of the Board Charter's provisions to ensure they remain current, adequate, and reflective of best practices in corporate governance.</p> <p>The Board Charter is accessible through the Company's website at www.daythree.com.</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

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 Company has established the Code of Conduct & Ethics to promote good business conduct and maintain a healthy corporate culture that engenders integrity, transparency, and fairness throughout the Group. This policy articulates acceptable practices and guide the behaviour of Board and employees.</p> <p>All Directors and employees are required to strictly adhere to relevant laws and regulations. The Group unequivocally prohibits any form of unlawful or unethical behavior, including bribery, indirect contributions, and illegal payments. With a commitment to transparency, the Group upholds standards that exceed legal requirements. Consequently, all actions taken by Directors and employees must withstand public scrutiny and align with the laws and regulations governing the Group's operations.</p> <p>The Code of Conduct & Ethics is communicated to all Directors and employees upon their appointment or employment and is deemed to be part of the Terms and Conditions of Service.</p> <p>The Code of Conduct & Ethics is accessible through the Company's website at www.daythree.com.</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

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company is committed to upholding the highest standard of integrity, openness, and accountability in all its business endeavours. With the establishment of Whistleblowing Policy, employees, third parties, and stakeholders are provided with an avenue to report genuine concerns regarding illegal, unethical, or questionable practices, without fear of reprisal.</p> <p>The Whistleblowing Policy will be reviewed by the Board from time to time to ensure it continues to remain relevant and appropriate.</p> <p>The Whistleblowing Policy is accessible through the Company's website at www.daythree.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board diligently oversees the Group's strategic business plan, ensuring it aligns with long-term value creation and integrates strategies across economic, environmental, safety & health, social, and governance aspects vital for sustainability. Collaborating closely with management, the Board plays a pivotal role in governing sustainability within the Group and setting comprehensive strategies, priorities, and targets.</p> <p>The Board has established the Sustainability Statement, demonstrating an unwavering commitment to impactful practices that address the impact of operations on the local economy, environment, society, and governance. This Statement prioritizes sustainable development for the betterment of the community and stakeholders, while continually striving to enhance performance in these domains for a sustainable future.</p> <p>The Sustainability Statement is available in Daythree’s Annual Report for the financial year ended 31 December 2024 (“FYE 2024”) (“Annual Report 2024”).</p>	
	Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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 acknowledges the importance of maintaining continuous communication with stakeholders for long-term success. Through regular engagement, valuable insights into their needs and expectations have been gained, enabling the Group to align sustainability initiatives accordingly. This ensures that the Group delivers value to society and effectively meets the expectations of stakeholders. The Sustainability Statement prioritises the interests of customers, employees, and investors. In essence, stakeholders play a crucial role in shaping new sustainability strategy and delivering broader value to society.</p> <p>The Sustainability Statement complies with the Bursa Securities Sustainability Reporting Guide, aligns with the recommended Global Reporting Initiatives (GRI) 4.0 Sustainability Reporting Guidelines, integrates with the United Nations Sustainable Development Goals (UN SDGs), and conforms to the Integrated Reporting (IR) framework.</p> <p>The Statement is disseminated to both internal and external stakeholders through its inclusion in Daythree's 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	:	The Board has sufficient knowledge and understanding of sustainability issues relevant to the Company and its business to conduct its responsibilities effectively and is committed to keeping abreast of sustainability issues related to the changing operating environment that are relevant to its business.	
		Furthermore, the Board, through the NC, assesses the training programmes attended by each of the Directors during the financial year to ensure that they keep abreast with the relevant developments in the business environment as well as the relevant regulatory requirements.	
		The training programmes attended by each of the Directors during FYE 2024 are set out in the Corporate Governance Overview Statement of the Annual Report 2024.	
		The Company Secretary regularly updates the Board on the changes of the Listing Requirements of Bursa Securities and/or other regulatory requirements upon receiving the circulars from Bursa Securities and/or other regulators which are relevant to the Company and provides advice on corporate disclosures and compliance issues.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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 and the Senior Management collectively address the Company's material matters and its inherent risks and opportunities, while at the same time addressing it through appropriate mitigating measures, to ensure the Company continues to generate healthy returns for its shareholders.</p> <p>The performance evaluation of the Board in addressing the Group's strategic and business plans which promote sustainability materials matters was evaluated through the annual Board's effectiveness evaluation for the FYE 2024.</p> <p>Whereas for the Senior Management team, it is part of their key performance indicators which are reviewed annually.</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	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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 NC plays a vital role in supporting the Board by overseeing the nomination process for new directors and conducting consistent evaluations of the Board's structure, size, and composition. Regular assessments are carried out to gauge the overall effectiveness of the Board, its Committees, and the performance of individual directors. This is to ensure the Board has the appropriate mix of skills, expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision making.</p> <p>As part of its duties, the NC conducts thorough reviews of each Director's tenure, assessing their contributions and performance. Following the annual evaluation, the NC determined that the retiring Directors had performed satisfactorily.</p> <p>The Board is aware that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years as recommended by the MCCG. However, if the Board intends to retain a Director who has served as an Independent Director for a cumulative term of more than nine (9) years, the Board must justify its decision and seek shareholders' approval through a two-tier voting process at a general meeting.</p> <p>During the FYE 2024, none of our Directors has served the Board as Independent Director of the Company for a cumulative term of more than nine (9) years.</p> <p>In addition, the Fit and Proper Policy serves as a guide to the NC and Board for the appointment and re-election of Directors of the Group. The Fit and Proper Policy is published on the Company's website at www.daythree.com.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.2

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>The Board acknowledges the significance of having at least half of its members as Independent Directors to uphold decision-making objectivity and prevent single-party dominance within the Group. Independent Directors offer unbiased judgment, experience, and objectivity, ensuring protection of shareholder interests and fair deliberation of pertinent matters.</p> <p>The current composition of the Board is as follows:</p> <table><tr><th>Name</th><th>Designation</th></tr><tr><td>Dato’ Ting Heng Peng</td><td>Independent Non-Executive Chairman</td></tr><tr><td>Paul Raymond Raj A/L Davadass</td><td>Managing Director</td></tr><tr><td>Gan Jhia Jhia</td><td>Non-Independent Non-Executive Director</td></tr><tr><td>Syed Izmi Bin Syed Kamarul Bahrin</td><td>Non-Independent Non-Executive Director</td></tr><tr><td>Azlina Binti Abdullah</td><td>Independent Non-Executive Director</td></tr><tr><td>Leong Chooi Kuen</td><td>Independent Non-Executive Director</td></tr><tr><td>Woon Tai Hai</td><td>Independent Non-Executive Director</td></tr></table> <p>The present composition of the Board complies with Rule 15.02 of the Listing Requirements of Bursa Securities and Practice 5.2 of the MCCG as more than 50% of the Board comprises Independent Directors.</p> <p>The Independent Directors also satisfy themselves under the self-assessment evaluation form to ensure that they were independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or ability to act in the best interest of the Company.</p>	Name	Designation	Dato’ Ting Heng Peng	Independent Non-Executive Chairman	Paul Raymond Raj A/L Davadass	Managing Director	Gan Jhia Jhia	Non-Independent Non-Executive Director	Syed Izmi Bin Syed Kamarul Bahrin	Non-Independent Non-Executive Director	Azlina Binti Abdullah	Independent Non-Executive Director	Leong Chooi Kuen	Independent Non-Executive Director	Woon Tai Hai	Independent Non-Executive Director
Name	Designation																	
Dato’ Ting Heng Peng	Independent Non-Executive Chairman																	
Paul Raymond Raj A/L Davadass	Managing Director																	
Gan Jhia Jhia	Non-Independent Non-Executive Director																	
Syed Izmi Bin Syed Kamarul Bahrin	Non-Independent Non-Executive Director																	
Azlina Binti Abdullah	Independent Non-Executive Director																	
Leong Chooi Kuen	Independent Non-Executive Director																	
Woon Tai Hai	Independent Non-Executive Director																	
Explanation for departure	:																	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.																		
Measure	:																	

Timeframe	:		
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Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board Charter adopts the recommendations of the MCCG regarding the tenure of independent directors. The tenure of an independent director shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board as a non-independent director.</p> <p>In the event the Board intends to retain an independent director beyond nine (9) years, annual shareholders’ approval through a two-tier voting process is required.</p> <p>During the FYE 2024, none of our Directors has served the Board as Independent Director of the Company for a cumulative term of more than nine (9) years.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board aims to achieve a well-balanced and diverse composition by ensuring that its members possess the necessary knowledge, skills, qualifications, and experience to effectively contribute to its functions. When considering new appointments, the Board prioritises candidates who align with established criteria, merit, and various factors, including skills, experience, age, cultural background, and gender, to enhance the Board's composition and better fulfil the Group's objectives and strategic goals.</p> <p>The NC is also delegated with the responsibility of assessing, considering and recommending to the Board, suitable candidates for appointment as Director, after taking into consideration the candidates' qualifications, background capabilities, competencies skills, expertise, experience, knowledges, technical skills, character, integrity, professionalism and time commitment to the Company based on the number of directorships.</p> <p>To ensure the Group is led by individuals of integrity, credibility and competency, the Company had adopted the Fit & Proper Policy. This policy served as the guideline for the Board as well as NC before appointing any individual as the Director as well as key management personnel, it is imperative to assess whether they meet the criteria outlined in the policy. These criteria include:</p> <ul style="list-style-type: none">(a) Character and Integrity(b) Experience and Competence(c) Time and Commitment
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NC supports the Board by overseeing the nomination process for new directors, conducting regular evaluations of the Board's structure, size, and composition, assessing the effectiveness of the Board and its Committees, and reviewing the performance contributions of individual Directors.</p> <p>The NC advises the Board on the selection criteria for new Directors as outlined in Fit & Proper Policy. This includes evaluating factors such as required skills, expertise, professionalism, integrity, collaborative abilities, diversity, external commitments, and the capacity to fulfil responsibilities, to ensure an effective and well-rounded Board composition.</p> <p>In searching for suitable candidates, the NC may leverages on various sources and gains access to a wider pool of potential candidates. Besides the recommendation from the existing Board members, management and/or major shareholders, the NC also refers to the potential candidate from the industry taking into consideration his/her education, skills and experience.</p> <p>There was no new Director being appointed to the Board for FYE 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	:		
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Intended Outcome

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

Practice 5.7

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 NC assessed the performance of the Directors who are seeking re-election at the AGM before recommending them to the Board for consideration. The Board will then recommend the re-election of retiring Directors to the shareholders for their approval at the AGM of the Company.</p> <p>The profile of the Directors is set out in the Annual Report 2024, which includes the nature of interest with the Company, whichever applicable.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The NC is chaired by Pn Azlina Binti Abdullah, an Independent Non-Executive Director.</p> <p>The details/profile of the NC Chair is disclosed in the Directors’ Profile of the Annual Report 2024.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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 demographic of the Board as of 31 December 2024 in terms of gender was as follows:		
		Gender	Number of Directors	Percentage (%)
		Male	4	57.14
		Female	3	42.86
		Total	7	100.00%
As stipulated in the MCCG, the Board is also encouraged to review gender diversity at the Senior Management level. To this end, the Company’s Senior Management team comprises females in crucial positions such as the Chief Operations Officer, Financial Controller and Chief People Officer.				
Explanation for departure	:			
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.				
Measure	:			
Timeframe	:			

Intended Outcome

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

Practice 5.10

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

Application	:	Applied														
Explanation on application of the practice	:	The Group is committed to maintaining at least 30% women Directors, in line with the recommendations of MCCG, despite the absence of a written policy on gender diversity.														
		The demographic of the Board and KSM as of 31 December 2024 in terms of gender was as follows:														
		<table><tr><th>Gender</th><th>Number of Directors</th><th>Percentage (%)</th></tr><tr><td>Male</td><td>4</td><td>57.14</td></tr><tr><td>Female</td><td>3</td><td>42.86</td></tr><tr><td>Total</td><td>7</td><td>100.00%</td></tr></table>			Gender	Number of Directors	Percentage (%)	Male	4	57.14	Female	3	42.86	Total	7	100.00%
		Gender	Number of Directors	Percentage (%)												
		Male	4	57.14												
		Female	3	42.86												
		Total	7	100.00%												
		<table><tr><th>Gender</th><th>Number of KSM</th><th>Percentage (%)</th></tr><tr><td>Male</td><td>3</td><td>50.00</td></tr><tr><td>Female</td><td>3</td><td>50.00</td></tr><tr><td>Total</td><td>6</td><td>100.00</td></tr></table>			Gender	Number of KSM	Percentage (%)	Male	3	50.00	Female	3	50.00	Total	6	100.00
		Gender	Number of KSM	Percentage (%)												
		Male	3	50.00												
Female	3	50.00														
Total	6	100.00														
Explanation for departure	:															
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.																
Measure	:															
Timeframe	:															

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	<p>The Company has in place a formal process for assessment of the effectiveness of the Board and the Board Committees as a whole and the contribution by each Director, including the independence of the Independent Non-Executive Directors to the effectiveness of the Board and Committees, making reference to the guides available and good corporate governance compliance.</p> <p>The assessment of the Board and Board Committees is performed on a Board review whilst the assessment of the individual Director is performed on a peer review basis. Each Director is provided with the assessment forms for their completion prior to the meeting. The results of all assessments and comments by the Directors are summarised and deliberated at the NC meeting and thereafter the NC Chair will report the results and deliberation to the Board.</p> <p>The evaluations undertaken by the NC during the FYE 2024 are as summarised below:-</p> <ul style="list-style-type: none">(a) Effectiveness of the Board and the Committees of the Board(b) Directors' self and peer evaluation(c) ARMC performance(d) Independence of the independent directors <p>In respect of the evaluation for the FYE 2024, it was concluded that:-</p> <ul style="list-style-type: none">(a) the composition and size of the Board and Board Committees were appropriate and adequate to provide an optimum mix of skill and expertise;(b) all Directors is a valuable member of the Board and brings useful industrial knowledge and perspective to the Board and Board Committees deliberations; and

	<p>(c) the ARMC had performed its duties consistently.</p> <p>The Board will continue to review the Board's evaluation process as and when necessary to ensure it remains a valuable feedback mechanism for improving the Board's effectiveness.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board had, through the RC, established formal and transparent remuneration policies and procedures on 26 February 2025, to attract and retain Directors and Senior Management of the Company. The Remuneration Policy is accessible through the Company’s website at www.daythree.com.</p> <p>The remuneration of the Executive Director and senior management is made up of fixed salaries and performance-based incentive components, while the remuneration of Non-Executive Directors consists of Directors’ fees and shall not be based on commission, percentage of profits or turnover.</p> <p>Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied												
Explanation on application of the practice	:	<p>The RC consists of the following three (3) members, with a majority of them being Independent Non-Executive Director:</p> <table><tr><th>No.</th><th>Name</th><th>Directorship</th></tr><tr><td>1.</td><td>Woon Tai Hai (Chair)</td><td>Independent Non-Executive Director</td></tr><tr><td>2.</td><td>Azlina Binti Abdullah (Member)</td><td>Independent Non-Executive Director</td></tr><tr><td>3.</td><td>Gan Jhia Jhia (Member)</td><td>Non-Independent Non-Executive Director</td></tr></table> <p>The RC is principally responsible for assisting the Board in determining and recommending to the Board, the general remuneration policy and packages for Directors and key senior management, reviewing the remuneration structures for the Directors.</p> <p>The Terms of Reference for RC is accessible through the Company's website at www.daythree.com.</p>	No.	Name	Directorship	1.	Woon Tai Hai (Chair)	Independent Non-Executive Director	2.	Azlina Binti Abdullah (Member)	Independent Non-Executive Director	3.	Gan Jhia Jhia (Member)	Non-Independent Non-Executive Director
No.	Name	Directorship												
1.	Woon Tai Hai (Chair)	Independent Non-Executive Director												
2.	Azlina Binti Abdullah (Member)	Independent Non-Executive Director												
3.	Gan Jhia Jhia (Member)	Non-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	:		
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Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The detailed disclosure of the Directors' remuneration on named basis is set out below and in the Corporate Governance Overview Statement of the Annual Report 2024.

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' Ting Heng Peng	Independent Director	36	6.5	-	-	-	-	42.5	36	6.5	-	-	-	-	42.5
2	Paul Raymond Raj A/L Davadass	Executive Director	36	5	-	-	-	-	41	36	5	492	-	-	65	598
3	Prabakaran A/L Chilatorai (Retired on 29 May 2024)	Executive Director	15	4	-	--	-	-	19	15	4	235.7	-	-	32.3	287
4	Gan Jhia Jhia	Non-Executive Non-Independent Director	36	5	-	-	-	-	41	36	5	-	-	-	-	41
5	Syed Izmi Bin Syed Kamarul Bahrin	Non-Executive Non-Independent Director	36	6	-	-	-	-	42	36	6	-	-	-	-	42
6	Azlina Binti Abdullah	Independent Director	36	8	-	-	-	-	44	36	8	-	-	-	-	44
7	Leong Chooi Kuen	Independent Director	36	8.4	-	-	-	-	44.4	36	8.4	-	-	-	-	44.4
8	Woon Tai Hai	Independent Director	36	8	-	-	-	-	44	36	8	-	-	-	-	44
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure									
Explanation on application of the practice	:										
Explanation for departure	:	Due to confidentiality and sensitivity of the remuneration package of Senior Management as well as security concerns, the Company opts not to disclose the Senior Management’s remuneration components on a named basis in the bands of RM50,000.									
		The Board is of the view that the disclosure of the Senior Management’s remuneration components would not be in the best interest of the Company given the competitive human resources environment as such disclosure may give rise to recruitment and talent retention issues.									
		Alternatively, the Board is of the opinion that the disclosure of Senior Management’s aggregated remuneration on an unnamed basis in the bands of RM50,000 is adequate.									
		<table><tr><th>Remuneration Package</th><th>Number of KSM</th></tr><tr><td>RM150,001 – RM200,000</td><td>2</td></tr><tr><td>RM200,001 – RM250,000</td><td>2</td></tr><tr><td>RM250,001 – RM300,000</td><td>-</td></tr><tr><td>RM300,001 – RM350,000</td><td>2</td></tr></table>	Remuneration Package	Number of KSM	RM150,001 – RM200,000	2	RM200,001 – RM250,000	2	RM250,001 – RM300,000	-	RM300,001 – RM350,000
Remuneration Package	Number of KSM										
RM150,001 – RM200,000	2										
RM200,001 – RM250,000	2										
RM250,001 – RM300,000	-										
RM300,001 – RM350,000	2										
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.											
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.									
Timeframe	:	Choose an item.									

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Ms Leong Chooi Kuen serves as the Chair of the ARMC, while Dato' Ting Heng Peng assumes the role of the Chairman of the Board.</p> <p>The positions of the Board Chairman and ARMC Chairperson are assumed by different individuals which allow the Board and ARMC to objectively review their findings and recommendations. This also to ensure that the Board's review of the ARMC's findings and recommendations are not impaired.</p> <p>Ms Leong Chooi Kuen is a member of the Malaysian Institute of Accountants.</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 9.2

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 ARMC stated that a former key audit partner is required to observe a three (3) years cooling-off period before being appointed as a member of the ARMC. This enhances transparency, integrity, and effectiveness in oversight functions regarding financial reporting, internal controls, and risk management. By enforcing this cooling-off period, potential conflicts of interest are mitigated, ensuring the independence and objectivity of the ARMC's oversight functions, thereby upholding good governance practices, and fostering public trust in the Group's financial reporting and oversight mechanisms.</p> <p>None of the members of the ARMC are former key audit partners of the Group.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The ARMC ensures transparency, integrity, and accountability within the Group to safeguard shareholders' rights and interests. They conduct annual assessments of external auditors' competencies, objectivity, and independence, and evaluate their suitability for nomination, appointment, re-appointment, and any issues concerning resignation or dismissal. Additionally, the ARMC diligently reviews audit plans, reports, evaluations of internal controls, and addresses audit-related matters, including management responses and any concerns raised by external auditors. They also oversee the provision of non-audit services by external auditors, ensuring safeguards against conflicts of interest. The ARMC facilitates dialogue with external auditors independently of management when necessary.</p> <p>External Auditors are invited to Daythee's 3rd AGM to address any shareholder concerns regarding the audited financial statements for the FYE 2024. The ARMC reviewed and endorsed the External Auditors' written assurance of their independence throughout FYE 2024, affirming their commitment to upholding rigorous standards of financial reporting integrity.</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 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted												
Explanation on adoption of the practice	:	<div>The ARMC consists of the following three (3) members, all of whom being Independent Non-Executive Directors:</div> <table><tr><th>No.</th><th>Name</th><th>Designation</th></tr><tr><td>1.</td><td>Leong Chooi Kuen</td><td>Chair</td></tr><tr><td>2.</td><td>Azlina Binti Abdullah</td><td>Member</td></tr><tr><td>3.</td><td>Woon Tai Hai</td><td>Member</td></tr></table>	No.	Name	Designation	1.	Leong Chooi Kuen	Chair	2.	Azlina Binti Abdullah	Member	3.	Woon Tai Hai	Member
No.	Name	Designation												
1.	Leong Chooi Kuen	Chair												
2.	Azlina Binti Abdullah	Member												
3.	Woon Tai Hai	Member												

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 the ARMC members are financially literate and possess the necessary skills to discharge their duties and responsibilities effectively. The Chair of ARMC, Ms Leong Chooi Kuen is a member of the Malaysian Institute of Accountants.</p> <p>The qualifications and experience of ARMC members are disclosed in the Directors’ Profile of the Annual Report 2024, and that the training programs attended by the ARMC in 2024 are disclosed in the Corporate Governance Overview Statement of the same report.</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

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 Charter clearly outlines the duties and responsibilities of the Board, identifying principal risks, establishing risk appetite, and ensuring implementation of effective internal controls and mitigation measures to manage operational, financial, and regulatory risks within the Group's businesses.</p> <p>The Board is supported by ARMC with accounting and financial reporting, ensuring compliance with the relevant rules and regulations; and managing principal risks through appropriate systems and risk assessment processes within the Group.</p> <p>Detailed information on the Group's risk management and internal controls framework is presented in the Statement of Risk Management and Internal Control ("SORMIC") 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

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Board recognises the importance of sound risk management and internal control practices for good corporate governance. The Board affirms its responsibility for ensuring the Group's system is able to adequately and effectively manage significant risks. The Group has in place an ongoing process to review and adequacy and effectiveness of the risk management framework and internal control systems to ensure the Group's objectives are met. The Group's system of internal control is designed to manage and control risks appropriately, rather than eliminate the risk of failure to achieve business objectives. Due to the inherent limitations in all control systems, these control systems can only provide reasonable and not absolute assurance against material misstatement, loss or fraud. Details of the Group's risk management and internal controls framework are set out in the SORMIC of the Annual Report 2024.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - 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	:	The ARMC consists of the following three (3) members, all being Independent Directors:			
		No.	Name	Designation	Directorship
		1.	Leong Chooi Kuen	Chair	INED
		2.	Azlina Binti Abdullah	Member	INED
		3.	Woon Tai Hai	Member	INED

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 ARMC ensures transparency, integrity, and accountability within the Group to safeguard shareholders' rights and interests. They review the adequacy of the internal audit scope, functions, competency, and resources, ensuring the internal audit function has the necessary authority to execute its duties effectively. Additionally, the ARMC oversees the internal audit plan, processes, and assessment results, and recommendations, ensuring appropriate actions are taken. They maintain direct communication channels with internal auditors and convene meetings independently, excluding executive board members, when necessary, to facilitate effective oversight.</p> <p>Through their diligent oversight, the ARMC ensures the internal audit function operates with effectiveness and efficiency. By reviewing audit plans, results, and performance assessments, they ensure proper governance and adherence to standards. Their direct communication and independent meetings with internal auditors foster transparency and accountability, ultimately serving to safeguard shareholders' interests and uphold the Group's integrity.</p> <p>Detailed information on the Group's internal controls is presented in the SORMIC and ARMC Report in 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

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 Group outsource the internal audit function to Talent League Sdn Bhd (“TL”) to provide the internal audit services for the Group. TL is headed by its Executive Director, Mr Roy Thean Chong Yew, who is a member of Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants, and Institute of Internal Auditors Malaysia. He has over twenty-two (22) years of audit experience.</p> <p>The number of staff deployed for the internal audit reviews is four (4) staff. They performed their works in accordance with a recognised framework such as the International Professional Practices Framework for Internal Auditing by the Institute of Internal Auditors. The internal audit function adopts a risk-based approach and prepares its audit strategy and plans based on the risk profiles of individual business unit of the Group.</p> <p>All the internal audit personnel involved are free from any relationship or conflict of interest which could impair their objectivity and independence during the internal audit review.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group places a strong emphasis on communicating with stakeholders by promptly releasing announcements and disclosures to Bursa Securities. These include quarterly financial results, material contracts, and other crucial information vital for investor decision-making. The Group actively encourages shareholder participation at general meetings and extends invitations to external auditors to attend Group's AGM, offering shareholders the opportunity to address audit-related queries.</p> <p>Furthermore, the Group maintains a comprehensive repository of Group-related information at the Group's website, www.daythree.com, ensuring easy access to information for stakeholders. This includes summaries of investor relation activities and media releases, promoting transparency and enabling shareholders to stay informed about the Group's operations. These initiatives underscore the Group's commitment to transparent communication, fostering trust and accountability within its stakeholders' community.</p> <p>Another key avenue of communication with its shareholders is the Company's Annual Report to shareholders. The Annual Report, which is prepared in accordance with the requirements of the Listing Requirements, communicates comprehensive information of the financial results and activities undertaken by the Company. All information to shareholders is available electronically as soon as it is announced or published.</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 continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The notice of the Second AGM (“2nd AGM”) of the Company held on 29 May 2024 was sent to the shareholders on 30 April 2024, which was 28 days prior to the date of the 2nd AGM. This has given sufficient time to shareholders to review the Annual Report and consider the resolutions for any questions they might wish to raise at the 2nd AGM.</p> <p>Moreover, the notice for the 3rd AGM of the Company scheduled to be held on 28 May 2025 was sent to the shareholders on 29 April 2025, which was also 28 days in advance.</p> <p>The Notice outlines the resolutions to be tabled during the meeting, accompanied by explanatory notes and background information where applicable, ensuring clarity on the resolutions, and enabling the shareholders to make informed decisions when exercising their voting right.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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	:	<p>All Directors at that time attended the 2nd AGM to provide a response to questions posed by shareholders. The management and external auditors were also in attendance to respond to the shareholders' queries, if any.</p> <p>During the proceedings of the 2nd AGM, the Chairman invited shareholders to raise questions pertaining to the agenda items tabled for approval at the meetings. All questions raised by the shareholders were answered and addressed accordingly.</p> <p>All the Directors of the Company will always endeavour to attend all general meetings and the Chairman of the Board Committees will provide a meaningful response to questions addressed to them.</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 13.3

Listed companies should leverage technology to facilitate—

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 2nd AGM of the Company held on 29 May 2024 was conducted on a fully virtual basis by way of live streaming, online remote participation and voting via the online meeting platform hosted on the TIHH Online Website ("TIHH") at https://tiih.com.my.</p> <p><u>Remote shareholders' participation in General Meetings</u></p> <p>Shareholders are able to attend, speak (including posing questions to the Company/Board of Directors) and vote remotely at the AGM without being physically present at the meeting venue. Shareholders may also appoint proxies to participate on his/her behalf by submitting the duly executed proxy form to the Company's share registrar.</p> <p><u>Voting in absentia</u></p> <p>For shareholders who are unable to attend the meetings remotely, they may exercise their voting rights by appointing the Chairman of the meeting as his/her proxy with a pre-determined proxy form.</p> <p>Shareholders were allowed to cast their votes via an online platform at the time of the meeting until a time when the Chairman of the meeting announces the completion of the voting session.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

<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	:	<p>At the 2nd AGM of the Company, the Chairman of the meeting ensured that sufficient opportunities were given to shareholders to raise issues by providing ample time for the Question-and-Answer sessions during the meetings.</p> <p>Shareholders were encouraged to submit their questions before the 2nd AGM at https://tiih.online or post the questions using the query box facility during the 2nd AGM.</p> <p>The Company facilitated and encouraged shareholder participation at its 2nd AGM. The Chairman and the Managing Director actively responded to questions raised by shareholders during the AGM.</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 13.5

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

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has engaged the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. ("TIIH") for Registration and Electronic Polling Services.</p> <p>The Board ensures the required infrastructures and tools were in place to enable the smooth broadcast of the 2nd AGM and meaningful engagement with the shareholders.</p> <p>The detailed procedures to participate in the meeting remotely were provided to the shareholders in the Administrative Guide for the 2nd AGM sent via email and/or by ordinary post and the same were also published on the Company's website.</p> <p>TIIH has in place a meeting platform that allows shareholders to participate online, using a smartphone, tablet or computer as well as view live webcast of the meeting.</p> <p>As mentioned above, real-time submission of typed texts was also available to encourage interactive participation from the shareholders.</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

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	The Minutes of the 2 nd AGM held on 29 May 2024 were published on the Company's website at www.daythree.com within 30 business days after the meeting.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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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