

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Zelan Berhad ("Zelan" or "the Company") recognises that sound corporate governance is fundamental to protecting shareholders' interests and enhancing long-term value creation. The Board remains committed to upholding high standards of integrity, transparency, accountability, and ethical conduct across the Group.

This Corporate Governance Overview Statement ("CG Statement") outlines how the Group has applied the three (3) key Principles of the Malaysian Code on Corporate Governance 2021 ("MCCG") for the financial year ended 31 December 2025 ("FY2025").

PRINCIPLE A:

BOARD LEADERSHIP AND EFFECTIVENESS

PRINCIPLE B:

EFFECTIVE AUDIT AND RISK MANAGEMENT

PRINCIPLE C:

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

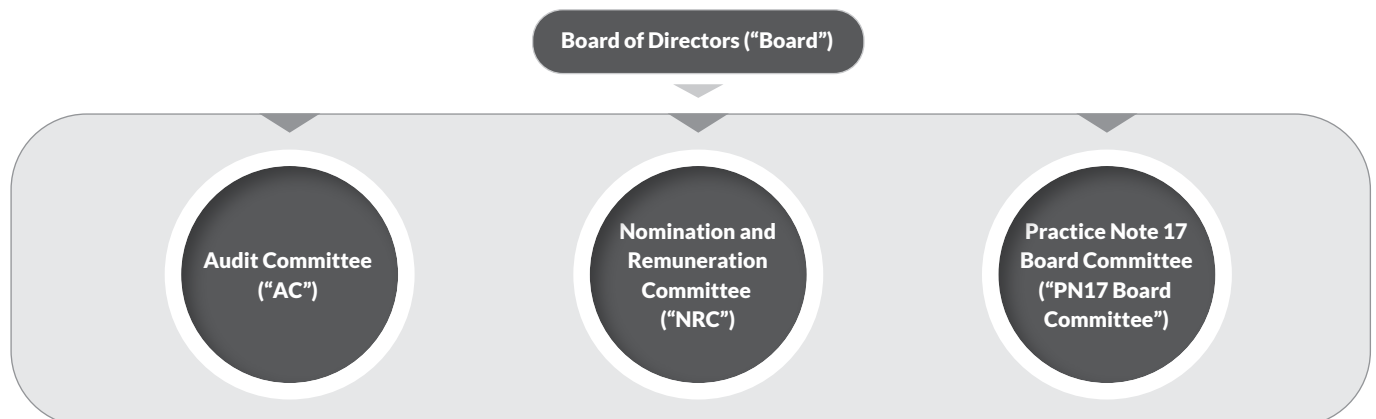
This Statement should be read together with the Company's Corporate Governance Report, which provides detailed disclosures on the application of each Practice under the MCCG and is available on the Company's website at www.zelan.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

A1. Board Responsibilities

The Board plays a critical role in setting the appropriate tone at the top and is charged with leading and managing the Group effectively and ethically. Each Director has a fiduciary duty to act in the best interests of the Group, with the objective of enhancing shareholders' value. The Directors collectively and individually are aware of their responsibilities to the stakeholders for the manner in which the affairs of the Group are managed, details of which are set out in the Board Policy Manual which is published on the Company's website at www.zelan.com.

The Group's corporate governance structure consists of a set of structures, policies and procedures. The foundation of this structure is the Board that is supported by three (3) Board Committees to which the Board has delegated specific responsibilities, namely Audit Committee, Nomination and Remuneration Committee and Practice Note 17 Board Committee. The following diagram shows a brief overview of the three (3) Board Committees of the Company:-



Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

A1. Board Responsibilities (Cont'd)

The delegation of authority to the Committees enables the Board to achieve operational efficiency, by empowering each Committee to review, report and make recommendations to the Board on matters relevant to their roles and responsibilities. Each Committee is governed by its own Terms of Reference ("TOR") which sets out its functions and duties, composition, rights and meeting procedures. These TOR are reviewed periodically to ensure they remain relevant, taking into account changes in the business, governance, and legal environment. The Chairmen of the respective Committees report to the Board on the outcome of Committee meetings, which are duly recorded in the minutes of the Board meetings. The ultimate responsibility for decision making, however, lies with the Board. The Board oversees the Group, retaining key responsibilities while delegating operational matters to Management. It sets strategy, monitors performance, manages risks, ensures effective internal controls, and oversees succession planning. Key duties of the Board include:

- (a) Overseeing and evaluating strategic plans, policies, and performance to ensure long-term sustainability.
- (b) Developing succession plans for both the Board and Management to support business continuity.
- (c) Monitoring and evaluating the Group's business conduct.
- (d) Ensuring governance processes comply with the Malaysian Code of Corporate Governance.
- (e) Implementing risk management and internal control systems, ensuring compliance with laws, regulations, and directives.
- (f) Ensuring effective investor relations and communication to engage shareholders.
- (g) Reviewing the integrity and adequacy of management information and internal control systems.
- (h) Ensuring related-party transactions are fair, reasonable, and protect minority shareholders.

1.1 Chairman of the Board

The Board operates under the stewardship of Dato' Anwar bin Haji @ Aji as the Non-Independent, Non-Executive Chairman. The Chairman provides strategic leadership to the Board and ensures the effective discharge of its responsibilities. He also oversees that the Group's operations are aligned with the Board's strategic direction, the Company's vision, and corporate policies, while facilitating robust communication between the Board and Management. The Chairman presides over Board meetings, ensuring Directors are afforded sufficient time to deliberate on matters presented. He promotes active participation and constructive discussions among Directors to support balanced and well-informed decision-making. The Board has established appropriate checks and balances through its Board Committees, which operate within their respective TOR and established policies and procedures.

1.2 Separation of the Positions of Chairman and Chief Executive Officer

There is a clear division of roles and responsibilities between the Chairman and the Chief Executive Officer ("CEO") to ensure a balance of power and authority. The Board continues to operate under Dato' Anwar bin Haji @ Aji as the Non-Independent, Non-Executive Chairman, while the Management is led by Encik Faizal bin Yusof, the CEO, who was appointed on 16 July 2025. The Chairman is responsible for providing leadership to the Board and ensuring the effectiveness of the Board's functions and meetings. He chairs meetings to promote constructive discussions and meaningful contributions from all Directors, reviews the minutes of Board meetings to ensure matters arising are addressed, and encourages active participation from every Director. The CEO is responsible for the day-to-day management of the Group, and for implementing the Board's policies and strategies. The roles and responsibilities of the Chairman and the CEO are clearly defined in the Board Policy Manual which is published on the Company's website at www.zelan.com.

1.3 Qualified and Competent Company Secretary

The Board is supported by a qualified and experienced Company Secretary who fulfils the requirements of Section 235(2) of the Companies Act 2016. The Company Secretary advises the Board on corporate governance, regulatory compliance and Board procedures in line with the Malaysian Code on Corporate Governance 2021. The Company Secretary attends all Board and Board Committee meetings and ensures that proper procedures are followed and minutes are accurately recorded. Directors have unrestricted access to the advice and services of the Company Secretary.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

A1. Board Responsibilities (Cont'd)

1.4 Access to Information and Advice

The Board ensures that Directors have timely access to accurate and relevant information to support informed decision-making. Board papers are circulated in advance of meetings, and Management attends meetings to provide clarification where required. Directors may also request additional information from Management. Directors have unrestricted access to the advice and services of the Company Secretary and may obtain independent professional advice at the Company's expense, in accordance with the Board Policy Manual. The Board also has direct access to the Internal and External Auditors.

1.5 Board Meetings

During the FY2025, the Board met sixteen (16) times, comprising five (5) Board scheduled meetings and eleven (11) Special Board meetings. The record of attendance of each Director at Board meetings held during the FY2025 are as follows:

| Name of Director | Attendance |
|---|------------|
| Dato' Anwar bin Haji @ Aji | 16/16 |
| Datuk Puteh Rukiah binti Abd Majid (Resigned on 17 September 2025) | 10/11 |
| Encik Suhaimi bin Halim | 16/16 |
| Encik Mohd Shukor bin Abdul Mumin | 16/16 |
| Encik Amalanathan a/l L. Thomas | 15/16 |
| Dato' Mohd Redza Shah bin Abdul Wahid | 15/16 |
| Puan Hasni Zarina binti Mohamed Khan (Appointed on 16 December 2025) | 1/1 |

1.6 Code of Ethics and Conduct

The Board is committed to promoting a corporate culture that upholds high standards of integrity and good corporate governance. The Group has adopted a Code of Ethics and Conduct which sets out the ethical standards of behaviour and ethical conduct applicable to all Directors and employees. The Code covers areas such as conflict of interest, confidential information, insider trading and protection of the Group's assets. The Code of Ethics and Conduct is available on the Company's website.

1.7 Fit and Proper Policy

The Board has adopted a Directors' Fit and Proper Policy of the Company to ensure there are formal and transparent procedures for the appointment and re-election of directors of the Group of Companies. The Board is committed to ensuring that each of its directors has the character, integrity, experience, competence and time to effectively discharge his or her role as a director in tandem with good corporate governance practices. The details of the Directors' Fit and Proper Policy are available for reference on the Company's website.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

A1. Board Responsibilities (Cont'd)

1.8 Whistleblowing Policy

The Board has established a Whistleblowing Policy to uphold the integrity of the Group and enhance organisational effectiveness. The policy provides a formal channel for staff or stakeholders to report concerns about misconduct, wrongdoing, fraud, corruption, or other unethical behaviour. The Group is committed to conducting its business ethically, responsibly, and transparently, while maintaining the highest standards of integrity, openness, and accountability. Reports can be made without fear of retaliation, and all concerns will be investigated promptly, fairly, and equitably. Appropriate actions will be taken based on the findings. Details of the Whistleblowing Policy are available on the Company's website.

1.9 Anti-Bribery and Anti-Corruption

The Board has implemented an Anti-Bribery and Anti-Corruption Policy to guide Directors, officers, and employees in complying with all laws and regulations to prevent bribery and corruption. The policy also sets out procedures for reporting and addressing any suspected violations. Details of the policy are available on the Company's website.

1.10 Environmental, Economic and Social

Zelan Group of Companies recognises the importance of sustainability across environmental, economic, and social ("EES") aspects, including the associated risks and opportunities for the Group. The Group actively communicates its EES targets and performance to all stakeholders, both internally and externally. Detailed information on the Group's sustainability initiatives can be found in the Sustainability Statement of the Annual Report 2025.

A2. Board Composition

The Board currently comprises six (6) directors, consist of five (5) Independent Directors and one (1) Non-Independent Director. The ratio of Independent Directors on Board of Zelan fulfils the requirements of Paragraph 15.02(1) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") which sets out that at least two (2) directors or one-third (1/3) of the board of directors of a listed issuer, whichever is the higher, are Independent Directors.

The Board has implemented an evaluation process to ensure that Independent Directors continue to meet the criteria under the MMLR and to assess their contributions and effectiveness. The Board is satisfied that all Independent Directors have met these criteria. Each Independent Director has confirmed their independence and provides valuable judgment on strategy, performance, resource allocation, risk management, internal controls, and the Group's standards of conduct.

2.1 Independence

The Board upholds the highest standards of corporate governance and the adoption of best practices for the Company. Its concept of independence aligns with the definition of an Independent Director under Paragraph 1.01 and Practice Note 13 of the MMLR of Bursa Securities, whereby such directors are independent from Management and free from any business or other relationships that could materially affect their judgment. Independent Non-Executive Directors are expected to raise any concerns regarding Board decisions, particularly on policies or strategies that may adversely affect the interests of minority shareholders.

2.2 Tenure of Independent Directors

The Board, through the Nomination and Remuneration Committee, annually assesses the independence of its Independent Directors. While Practice 5.3 of the MCCG recommends that an Independent Director's tenure should not exceed nine (9) years, the Board has not adopted a formal tenure limit. The Board is of the view that the length of service of its Independent Directors does not compromise their independent judgment and that they continue to serve the best interests of the Group in discharging their roles. Where an Independent Director exceeds nine (9) years, the Board will provide justification and seek annual shareholders' approval.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

A2. Board Composition (Cont'd)

2.2 Tenure of Independent Directors (Cont'd)

The Board acknowledges that the MCCG recommends a maximum cumulative tenure of twelve (12) years for Independent Directors, after which they must resign or be redesignated as Non-Independent Directors. In line with this recommendation, Dato' Anwar bin Haji @ Aji was redesignated as a Non-Independent Non-Executive Director on 20 March 2025, having exceeded the twelve-year tenure as an Independent Non-Executive Director.

2.3 Boardroom Diversity

The Board comprises members with diverse expertise in areas such as engineering, corporate finance, accounting, public service, and law. Their collective skills and experiences provide a broad range of knowledge that supports the Group's strategic direction. The Board's composition ensures that no individual or small group dominates decision-making.

The Board also encourages greater women's participation in decision-making roles and aims to achieve 30% female representation. Currently, the Board has appointed one (1) woman Director, Puan Hasni Zarina binti Mohamed Khan, on 16 December 2025, and will continue to evaluate the need for additional woman Directors.

2.4 Board Committees

The Board has established the following three (3) Board Committees to assist in ensuring the orderly and effective execution of the roles and responsibilities:

- i) Audit Committee
- ii) Nomination and Remuneration Committee
- iii) Practice Note 17 Board Committee

The Board has delegated certain responsibilities and duties to the Board Committees, which are clearly defined in their respective TOR. The TOR of the Board Committees is available on the Company website.

(a) Audit Committee ("AC")

The AC discharged its functions and duties as set out in its TOR. The primary objectives of the AC are as follows:-

- (a) to assist the Board in fulfilling its statutory and fiduciary responsibilities in examining and monitoring the Company and its subsidiaries' ("Group") management of business, financial risk processes, accounting and financial reporting practices;
- (b) to determine the adequacy and effectiveness of the administrative, operational and internal accounting controls of the Group and to ensure that the Group is operating in accordance with the prescribed procedures, codes of conduct and applicable legal and regulatory requirements;
- (c) to serve as an independent and objective party from Management in the review of the financial information prepared by Management for the distribution to shareholders and the general public;
- (d) to provide direction and oversight over the Internal and External Auditors of the Company to ensure their independence from Management; and
- (e) to evaluate the quality of audits conducted by the Internal and External Auditors of the Group.

During the FY2025, the AC met eleven (11) times.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

A2. Board Composition (Cont'd)

2.4 Board Committees (Cont'd)

(a) Audit Committee ("AC") (Cont'd)

The Chairman of the AC and the Chairman of the Board are held by different individuals, allowing the Board to review the AC's findings and recommendations independently and objectively. The composition of the AC is as follows:

| Name | Designation | Directorship |
|--|-------------|---|
| Dato' Mohd Redza Shah bin Abdul Wahid (Redesignated as Chairman w.e.f 10 November 2025) | Chairman | Independent, Non-Executive Director |
| Encik Suhaimi bin Halim (Redesignated as member w.e.f 10 November 2025) | Member | Independent, Non-Executive Director |
| YBhg. Datuk Puteh Rukiah bin Abd Majid (Resigned w.e.f 17 September 2025) | Member | Non-Independent, Non-Executive Director |
| Encik Amalanathan a/l L.Thomas | Member | Independent, Non-Executive Director |

Dato' Mohd Redza Shah bin Abdul Wahid is a member of the Institute of Chartered Accountants in England and Wales (ICAEW), while Encik Amalanathan a/l L. Thomas is a member of the Malaysian Institute of Accountants (MIA). Both possess extensive experience in finance, internal controls and corporate advisory services. They have the requisite expertise and experience to lead discussions and deliberations on financial matters, as well as to review the Group's financial results and statements.

(b) Nomination and Remuneration Committee ("NRC")

The NRC comprises three (3) members, namely as follows:-

| Name | Designation | Directorship |
|--|-------------|---|
| Encik Suhaimi bin Halim (Redesignated as Chairman w.e.f 10 November 2025) | Chairman | Independent, Non-Executive Director |
| YBhg. Datuk Puteh Rukiah bin Abd Majid (Resigned w.e.f 15 April 2025) | Member | Non-Independent, Non-Executive Director |
| Encik Amalanathan a/l L. Thomas | Member | Independent, Non-Executive Director |
| Dato' Mohd Redza Shah bin Abdul Wahid (Redesignated as member w.e.f 10 November 2025) | Member | Independent, Non-Executive Director |

The NRC has performed its functions in accordance with its TOR. The primary objectives of the NRC are as follows:-

- i) Review and approve appointments of Board members, Board Committee members, Independent Non-Executive Directors, the Chief Executive Officer, and key management personnel;
- ii) Review and recommend remuneration packages for the Chief Executive Officer and management; and
- iii) Assess the performance of the Board, Board Committees, and management personnel.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

A2. Board Composition (Cont'd)

2.4 Board Committees (Cont'd)

(b) Nomination and Remuneration Committee ("NRC") (Cont'd)

The TOR of the NRC is available on the Company's website. In carrying out its duties, the NRC has undertaken the following activities:

- i) Reviewed Directors due for re-election or re-appointment;
- ii) Assessed the Board's mix of skills, size, composition, experience, and core competencies required of Independent Non-Executive Directors;
- iii) Considered the findings of performance assessments and reported them to the Board; and
- iv) Evaluated the appointment of new Independent Non-Executive Directors.

During the FY2025, the NRC met four (4) times.

Board Annual Evaluation and Effectiveness

During FY2025, the Board, through the NRC and with support of the Company Secretary, conducted its annual assessment to evaluate the effectiveness of the Board, its Committees, the contributions of individual Directors, and the independence of Independent Directors. The Board was satisfied with the current composition and performance of the Board and its Committees, recognising a balanced mix of skills, experience, expertise, and individual contributions.

Directors are assessed using the Board Evaluation Form, with results duly documented. Directors due for re-election or re-appointment at the next Annual General Meeting are reviewed by the NRC before recommendations are submitted to the Board and shareholders.

For new appointments, the NRC evaluates candidates based on fit and proper criteria prior to recommending them to the Board. Candidates are required to complete a self-declaration and authorise background checks, which may include verification of employment history, professional references, educational qualifications, and, where necessary, criminal or credit records.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

A2. Board Composition (Cont'd)

2.4 Board Committees (Cont'd)

(c) Practice Note 17 Board Committee ("PN17 Board Committee")

The PN17 Board Committee comprises three (3) members, namely as follows:-

| Name | Designation | Directorship |
|---------------------------------------|-------------|---|
| Dato' Anwar bin Haji @ Aji | Chairman | Non-Independent, Non-Executive Chairman |
| Dato' Mohd Redza Shah bin Abdul Wahid | Member | Independent Non-Executive Director |
| Encik Amalanathan a/l L. Thomas | Member | Independent Non-Executive Director |

The PN17 Board Committee has carried out its responsibilities in accordance with its TOR to manage all matters related to the Company's PN17 status, including but not limited to the following:

- i) Reviewing and evaluating proposals submitted by the Financial Advisor in relation to the Regularisation Plan aimed at regularising the Company's PN17 status, and recommending the proposals to the Board for approval;
- ii) Collaborating with relevant parties in connection with the Regularisation Plan to facilitate the Company's exit from PN17 status;
- iii) Monitoring the Company's compliance with regulatory requirements, including extensions of time granted by Bursa Securities to submit its Regularisation Plan to the relevant authorities;
- iv) Overseeing the Group's restructuring efforts, including the filing of an application for a Scheme of Arrangement ("SOA") with the High Court on 2 October 2025, as part of the overall Regularisation Plan; and
- v) Noting the High Court's approval, via sealed court orders dated 10 February 2026 and 13 February 2026, granting leave for Zelan Construction Sdn Bhd and Zelan Berhad to convene court-convened meetings with creditors to consider the proposed SOA pursuant to the Companies Act 2016.

During the FY2025, the PN17 Board Committee met three (3) times.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

A2. Board Composition (Cont'd)

2.5 Director's Training

As at 31 December 2025, four (4) Directors have completed the Mandatory Accreditation Programme Part II ("MAP Part II") on Building High-Impact Boards for Sustainable Growth, a mandatory onboarding programme introduced by Bursa Securities which Directors are required to complete within the prescribed timeframe stipulated by Bursa Securities. During the financial year under review, most of the Directors attended at least one training session, either conducted internally by the Company or externally, as follows:

| No. | Training/Workshop/Seminar Attended | Organiser | Date |
|-----|---|---|---------------------|
| 1 | Fireside Chat Session with MATRADE (Sustainable Business Innovation: Positioning SMEs for Global Market Leadership) | INCEIF | 20 January 2025 |
| 2 | Practical Examination of Corporate Governance - Role of Board and Senior Management | Malaysian Institute of Corporate Governance (MICG) | 18 February 2025 |
| 3 | Looking Ahead in 2025: Latest attendance on AI, Amendments to PDPA and Tax Issues | Wong & Partners | 17 April 2025 |
| 4 | IFRS 17: Implementation & Challenges | Singapore College of Insurance (SCI) | 23-25 April 2025 |
| 5 | International Conference on Blue Economy 2025 in Dubai, UAE | UAE Ministry of Economy | 1-2 May 2025 |
| 6 | Integrity Insights for Directors: Tackling CBT, Conflict of Interest, RPT & Corruption | Institute of Corporate Directors Malaysia (ICDM) | 6 May 2025 |
| 7 | Strategic Leadership in the Age of Artificial Intelligence (AI) and Robotic Process Automation (RPA) | Malaysian Institute of Accountants (MIA) | 19 May 2025 |
| 8 | Dialogue Session: Reshaping the Future: Islamic Economics for a Humane and Sustainable World | INCEIF | 10 June 2025 |
| 9 | JCorp Future Forward Leadership | JCorp | 23 July 2025 |
| 10 | Developing a Guidance Framework for Impact Monitoring and Reporting in Islamic Social Finance | Malaysian Institute of Accountants (MIA) | 6 August 2025 |
| 11 | Delay and Damages Claim in Construction Contracts: Effective Resolution of Disputes | Borneo International Centre for Arbitration and Mediation | 10 September 2025 |
| 12 | Islamic Finance KLIF | KLIF | 19 November 2025 |
| 13 | Malaysian International Healthcare (MIH) Megatrends | KPJ Healthcare Berhad | 25-27 November 2025 |
| 14 | MBMR Leadership Summit 2025 at Sheraton Hotel, PJ | MBMR Resources Berhad | 2 December 2025 |

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

A3 Directors' Remuneration

The details of the Directors' remuneration comprising remuneration received/receivable from the Company for the FY2025 are as follows:

| Directors | Fees (RM) | Meeting Allowances for Board and Board Committees (RM) | *Other Allowances (RM) | **Benefit-In-Kind (RM) | Total (RM) |
|--|----------------|--|------------------------|------------------------|----------------|
| Dato' Anwar bin Haji @ Aji (Chairman) | 82,000 | 19,000 | 291,000 | 51,454 | 443,454 |
| Datuk Puteh Rukiah binti Abd Majid (Resigned w.e.f 17 September 2025) | 47,342 | 18,000 | - | - | 65,342 |
| Encik Suhaimi bin Halim | 81,162 | 31,000 | - | - | 112,162 |
| Encik Mohd Shukor bin Abdul Mumin | 40,000 | 16,000 | - | - | 56,000 |
| Encik Amalanathan a/l L. Thomas | 76,000 | 33,000 | - | - | 109,000 |
| Dato' Mohd Redza Shah bin Abdul Wahid | 60,236 | 23,000 | - | - | 83,236 |
| Puan Hasni Zarina binti Mohamed Khan (Appointed on 16 December 2025) | 1,753 | 1,000 | - | - | 2,753 |
| Total | 388,493 | 141,000 | 291,000 | 51,454 | 871,947 |

Notes:

* Other Allowances comprises director's allowance, car allowance and entertainment allowance.

** Benefit-in-kind comprises company driver, petrol, maintenance and mobile phone bill.

3.1 Remuneration of Senior Management

The Group is headed by Encik Faizal bin Yusof as Chief Executive Officer. The following sets out the remuneration of Senior Management for the FY2025:

| Ranges of Remuneration (RM) | Number of Senior Management |
|-----------------------------|-----------------------------|
| Above RM200,000 | 2 |
| RM150,001 – RM200,000 | - |
| RM100,001 – RM150,000 | - |
| RM50,001 – RM100,000 | - |
| Below RM 50,000 | - |

(The details of senior management's remuneration are not shown, as the Board considers the information of the said remuneration to be confidential, sensitive and proprietary. The Board is of the view that the transparency and accountability aspects of corporate governance as applicable to senior management's remuneration are appropriately served by disclosure in RM50,000 bands.)

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

B1. Audit Committee Composition

The AC primarily assists the Board in reviewing financial reporting, the internal control framework, risk management and mitigation, as well as evaluating the performance and independence of the external auditors. The AC comprises members with diverse qualifications, skills, and experience relevant to their duties. All members are financially literate and possess relevant knowledge. They also participate in ongoing professional development to stay updated on changes in accounting and auditing standards, practices, and regulations.

None of the current AC members is a former key audit partner of the Group's auditors. Further details on the AC are provided in the AC Report in this Annual Report.

External Auditors

For FY2025, the External Auditors provided written assurance to the AC that they have remained independent throughout the audit engagement, in accordance with the By-Laws of the Malaysian Institute of Accountants. After considering the appointment criteria for external auditors, the AC and the Board are satisfied with the performance, competence, and independence of Nexia SSY PLT and have recommended their re-appointment for shareholders' approval at the upcoming AGM.

During FY2025, the External Auditors attended five (5) AC meetings to present and discuss the audit plan and audit findings in relation to the Company's audited financial statements. In addition, the AC held one (1) private session with the External Auditors, without the presence of Management, to facilitate open discussions on matters requiring attention.

B2. Risk Management and Internal Control

The Board, together with Management, has established a risk management and internal control framework designed to identify risks that could affect the Group's performance and implement mitigation strategies to reduce their likelihood and impact. Further information on the framework is provided in the Statement on Risk Management and Internal Control in this Annual Report.

B3. Internal Audit Function

The Group's internal audit function is outsourced to a professional service firm, PKF Risk Management Sdn. Bhd. The internal auditors perform their functions with impartiality, proficiency and due professional care. It undertakes regular monitoring of the Group's key controls and procedures, which forms an integral part of the Group's system of internal control. The internal audit reports are presented to the AC for review and deliberation. The AC is briefed on the progress made in respect of each recommendation, and of each corrective measure taken as recommended by the audit findings. The internal auditors report directly to the AC to ensure independence.

Corporate Governance Overview Statement

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

C1. Communication with Stakeholders

The Board of Zelan Berhad is committed to maintaining effective, transparent and timely communication with its shareholders and other stakeholders to enable them to make informed decisions. The Company actively engages with its shareholders to provide clear and comprehensive information on its financial performance, major developments, and overall position. This information is communicated through the Annual Report, various disclosures, and announcements to Bursa Securities, including quarterly and annual results. All timely disclosures and material information are also made available on the Company's website upon release to Bursa.

The full Annual Report is accessible online at www.zelan.com and a printed copy will be provided to shareholders within four (4) market days upon receipt of a formal request. The Group's corporate website features an Investor Relations section, which provides relevant information such as monthly updates on the PN17 regularisation plan submitted to Bursa Securities, share price information, and the Group's corporate and governance structure.

C2. Conduct of Annual General Meetings

The Board regards the Annual General Meetings ("AGM") as an important avenue for the communication and dialogue with its shareholders. The Board supports and encourages active shareholder participation at its AGMs and any other general meetings. At the AGM, shareholders are given time to ask questions and seek clarification on the resolutions and the Group's operations. The Board members, senior management and the external auditors are present at the AGM to respond to shareholders' queries.

The Company ensures that the notice of the AGM is issued to shareholders at least **twenty-eight (28)** days prior to the meeting. All resolutions set out in the notice of general meetings will be carried out by poll voting. The Board announces the detailed results, including the number of votes cast for and against each resolution, at general meetings for shareholders' information.

The Minutes of the 49th AGM were published on the Company's website at www.zelan.com within 30 days after the AGM. The above summary sets out how the three Principles pursuant to Practice Note 9 Part 1 Paragraph 3.1A of MMLR of Bursa Securities are adhered to through the adoption of the relevant Board Policies and implementation of appropriate measures.

The external auditors of the Company are also invited to attend the AGM to respond to any questions relating to the conduct of the audit and the contents of the Auditors' Report.

The Company's upcoming AGM will be held at **Komune Living & Wellness**, No. 21, Jalan Tasik Permaisuri 2, Bandar Tun Razak, 56000 Cheras, Kuala Lumpur on **Tuesday, 23 June 2026 at 10:00 a.m.**

C3. Constitution of the Company

The Company adopted a new Constitution pursuant to the provisions of the Act during the 43rd AGM held on 11 June 2019. The Company's Constitution defines the essential components of the Company's structure and governs the relationship between the Company and its shareholders. It regulates the manner in which a company is governed.

Corporate Governance Overview Statement

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

Pursuant to paragraph 15.26(a) of the MMLR of Bursa Securities, the Board has provided its assurance that the financial statements are prepared in accordance with the Act and the applicable approved accounting standards for each financial year which gives a true and fair view of the state of affairs of the Group and the Company in a transparent manner at the end of the financial year, as well as of the results and cash flows for the financial year. The Directors' Report for the audited financial statements of the Company and the Group is set out on pages 53 to 57 of this Annual Report, together with the financial statements for the financial year 2025 which are set out on pages 53 to 165 of this Annual Report.

COMPLIANCE STATEMENT BY THE BOARD ON THE CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement is made in compliance with Paragraphs 15.25 and 15.08A of the MMLR of Bursa Securities. Having reviewed and deliberated this statement, the Board is satisfied that to the best of its knowledge, the Company is substantially in compliance with the principles and practices set out in the MCCG as well as the relevant provisions under the MMLR of Bursa Securities for the financial year under review. Any practices under the MCCG which have not been implemented during the financial year would be reviewed by the Board and be implemented where practical and relevant to the Group's business.

This Corporate Governance Overview Statement is made in accordance with a Resolution of the Board dated 28 April 2026.