

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0325
COMPANY NAME : NORTHEAST GROUP BERHAD
FINANCIAL YEAR : September 30, 2025

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 assumes responsibility in providing strategic direction, effective oversight and stewarding of the Group's business and affairs to meet the Group's objectives of promoting sustainability long-term value creation for shareholders and other stakeholders.</p> <p>The Board is guided by its Board Charter and Code of Conduct and Ethics, which set out the roles, responsibilities and authorities of the Board, including matters reserved for the Board's decision and those delegated to the Board Committees.</p> <p>The Board has delegated the responsibility for the day-to-day management of the Group's operations to the Managing Director, who is accountable for the implementation of the Group's strategies, business plans, policies and internal controls, as approved by the Board. The responsibilities and reporting lines of the senior management team are clearly defined to ensure effective management, accountability and segregation of duties.</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 1.2

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	:	Dato' Seri Lee Kah Choon is the Chairman of the Board and the role of Chairman is stated in the Board Charter which is available on www.northeast.my .	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>Dato' Seri Lee Kah Choon, the Independent Non-Executive Chairman, provides leadership to the Board in its collective oversight of management.</p> <p>While the Managing Director ("MD"), Mr. Ng Chay Chin, is responsible for the day-to-day management and operational performance of the Company.</p> <p>The division of responsibilities between the Chairman and the MD is clearly set out in the Board Charter (which is available on www.northeast.my), wherein the roles and responsibilities of the Independent Non-Executive Chairman are distinct and separate from those of the MD.</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	:	<p>The Chairman of the Board, Dato' Seri Lee Kah Choon is not a member of the Audit & Risk Management Committee ("ARMC"), Nomination Committee ("NC") or Remuneration Committee ("RC").</p> <p>Dato' Seri Lee Kah Choon neither attends nor participates in any meeting of ARMC, NC and RC, whether by invitation or in any other capacity.</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 1.5

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 Company Secretary possesses the requisite qualifications and is duly qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016, and undertakes continuous professional development to maintain up-to-date knowledge of corporate governance practices.</p> <p>The Company Secretary reports to the Board, through the Chairman, on all governance matters and provides a central source of advice and guidance to the Board and Board Committees on compliance with applicable laws, regulations, rules, and procedures.</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>Members of the Board are supplied with unrestricted and timely information to enable effective discharge of their duties and responsibilities.</p> <p>The Company Secretary circulated the meeting pack, including the meeting agenda and all relevant meeting materials to the Directors seven (7) calendar days prior to the Board Meeting to ensure Directors have sufficient time to review meeting materials and prepare for the meeting. The said practice is in line with Guidance to Practice 1.6 of MCCG which states that "the meeting materials should be circulated at least five (5) business days in advance of the Board Meeting".</p> <p>The meeting minutes captured the rationale for decisions and dissenting comments of Directors during the Board Meetings. The deliberations and decisions of the Board and Board Committees are properly documented in the minutes and the draft minutes are circulated to all the Directors and members of the Board Committees in a timely manner upon conclusion of the meeting for review and comments, if any.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has adopted a Board Charter which sets out the principal functions, composition, roles and responsibilities of the Board. The Board Charter is a source reference and primary induction literature, providing insights to respective Board members and Senior Management.</p> <p>The Board Charter shall be reviewed periodically and updated in accordance with the needs of the Company to ensure its effectiveness. The Board Charter is published on our website, www.northeast.my.</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 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 adopted a Code of Conduct and Ethics (“Code”) that embodies its core values and commitment to upholding integrity, fairness, accountability, diligence, professionalism, and responsible conduct.</p> <p>The Code guides the Group in contributing positively to the social and environmental development of the communities and surroundings in which the Company and its subsidiaries operate.</p> <p>A copy of the Code is available on the Company’s website at www.northeast.my</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has established a Whistleblowing Policy and the said policy is made available on the Company's website at www.northeast.my	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Group has implemented various initiatives to address sustainability risks and opportunities in a strategic and integrated manner, supporting the Group's long-term objectives and overall success. The Board has approved the Terms of Reference of the Sustainability Committee, which is responsible for assisting the Board in overseeing the governance of sustainability matters. This includes setting the Group's sustainability policies, strategies, priorities, and targets, as well as monitoring the Group's environmental, social, and governance ("ESG") performance and progress against established targets.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Group engages with its internal and external stakeholders through a variety of means. The feedback and insights from the stakeholders are vital to the Group and are integrated into the Group’s business strategy and sustainability approach. Further details can be obtained from the Sustainability Statement in the 2025 Annual Report of the Company.	
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 4.3

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 was presented with the FYE 2025 sustainability report and expects to receive regular reports thereafter to put in place appropriate sustainability strategy, priorities and targets to support the objectives of the Group.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The 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 assessment of the Board is conducted on a yearly basis. The assessment of the Board includes the performance of the Board in addressing the Company's material sustainability risks and opportunities.</p> <p>In addition, the Company has included, among others, sustainability risks, in the assessment of the Senior Management.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	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>During the financial year ended 30 September 2025, the NC conducted an assessment on the effectiveness of the Board, the Board Committees and the contribution of each Director. Various factors were considered including its composition and size, mix of skills and experience, conduct of meetings, roles and responsibilities, contribution and performance, communications and supply of timely information. All assessments and evaluations carried out by the NC are documented.</p> <p>The NC also assists the Board in establishing procedures and processes towards an annual assessment of the effectiveness of the Board as a whole and contribution of each individual Director and members of the Board's Committees.</p> <p>According to the Constitution, at least one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to, but no more than one-third (1/3) of the total shall retire from office at the Annual General Meeting, provided always that all Directors shall retire from office at least once in every three (3) years. A retiring Director shall be eligible for re-election. The election of each Director is voted on separately.</p> <p>The Board has reviewed and approved the Directors' Fit and Proper Policy for the appointment and re-election of Directors. A copy of the said Policy is published on the Company's website at www.northeast.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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>For the financial year ended 30 September 2025, a majority of the Board are Independent Non-Executive Directors, where four (4) out of the six (6) Directors are independent.</p> <p>As the Independent Non-Executive Directors are not involved in the day-to-day management of the Group’s business, the Board ensures a strong system of checks and balances. This structure fosters objective decision-making, and the Board is confident that its composition provides a well balanced distribution of power and authority, enabling it to discharge its responsibilities effectively.</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 5.3

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>As stated in Paragraph 10.7 of the Board Charter, the tenure for an Independent Director shall not exceed a cumulative term limit 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 wishes to continue to retain an Independent Director beyond nine (9) years, the Board will seek annual shareholders' approval through a two-tier voting process as guided by Practice 5.3 of the MCGG.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - 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 appointment of a Board member is based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background, and gender.</p> <p>The NC assess the effectiveness of the Board as a whole annually, as well as the Board Committees and the contribution of each individual Director, including his time commitment, character, experience and integrity. All assessments and evaluations carried out by the NC in the discharge of its functions are properly documented.</p> <p>The Directors' Fit and Proper Policy is adopted to ensure a formal, stringent and transparent process for the appointment and re-election of Directors of the Company.</p> <p>The appointment and promotion of Senior Management are mainly merit-driven and with due consideration to the above criteria.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Terms of Reference for the NC stipulate the objective of the NC to, inter alia, ensure that the Directors of the Board bring characteristics that provide the necessary mix of responsibilities, skills and experience.</p> <p>When a vacancy exists in the Board and/or Board Committees, the NC recommends candidate(s) with the appropriate expertise and experience for the vacancy(ies) to be filled for the Board's approval.</p> <p>The NC may use the services of a professional recruitment firm or direct approach being made to individuals who may be suitable or organisations that may be able to advise.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The NC and the Board through the annual Board assessments and evaluation, review and assess the retiring Director’s capability and contribution before recommendation is being made to the shareholders for consideration of re-election or re-appointment at the Annual General Meeting (“AGM”).</p> <p>The re-election of each Director shall be voted on separately. To assist shareholders in their decision, sufficient information, such as profile, attendance of meetings and their shareholdings in the Company of each Director standing for re-election are furnished in the Annual Report accompanying the Notice of the AGM.</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	:	For the financial year ended 30 September 2025, the NC was chaired by an Independent Non-Executive Director, Ms Ong Guat Ean.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	As at 30 September 2025, the Board comprises two (2) women Directors, representing approximately 33.33% of the total composition.	
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	:	<p>The Board recognises the call for gender diversity of at least 30% women directors in companies. For the financial year ended 30 September 2025, there are two (2) female Directors sitting on the Board, representing approximately 33.33% of women directors on the Board.</p> <p>The Board has disclosed the management’s gender diversity in the Company’s Annual Report.</p>	
Explanation for departure	:	<p>The Board has disclosed the management’s gender diversity in the Company’s Annual Report.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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>For the financial year ended 30 September 2025, the NC met once and during the meeting, the NC conducted the Board Performance Evaluation via questionnaires which cover Board and Board Committees' effectiveness assessment together with Directors' self and peer assessment.</p> <p>The NC assessed the effectiveness of the Board and Board Committee in terms of composition, conduct, accountability, and responsibility of the Board and Board Committees against their respective terms of reference. The Directors' self and peer assessment was conducted to evaluate the mix of skills, experience and the individual's Directors ability to contribute and exercise independent judgement towards the effective functioning of the Board.</p> <p>The NC also evaluates the independence of the Independent Directors based on the criteria of "Independence" as prescribed in the ACE Market Listing Requirements.</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 RC recommends to the Board the policy framework of the Directors’ and Senior Management’s remuneration, and the remuneration package for each of them in accordance with performance, service seniority, experience and scope of responsibilities. The Directors’ fees and any benefits payable to the Directors shall be subject to annual shareholders’ approval at a general meeting.</p> <p>The remuneration policies and procedures are not made available on the Company’s website as the Board is of the opinion that such policies and procedures are not necessary for public knowledge.</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 7.2

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 is made up exclusively of Independent Non-Executive Directors.</p> <p>The RC is responsible to set the policy framework and to make recommendations to the Board on all elements of the remuneration, terms of employment, reward structure and fringe benefits for Executive Directors and senior management. The Directors' remuneration packages are subject to review on a yearly basis.</p> <p>The RC ensures that remuneration packages are determined on the basis of the Directors' and senior management's merit, qualification, and competence, having regard to the Group's operating results, individual performance, and comparable market statistics.</p> <p>Interested Directors shall abstain from deliberation and voting in relation to their own remuneration packages.</p> <p>The terms of reference of the RC is also published on the Company's website, www.northeast.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supportive of transparent and detailed disclosure on named basis for the remuneration of individual directors.</p> <p>Further details of the remuneration breakdown for FYE2025 are as follows:</p>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emolument	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Seri Lee Kah Choon	Independent Director	48	0	0	0	0	4	52	48	0	0	0	0	4	52
2	Ng Chay Chin	Executive Director	0	0	0	0	0	0	0	0	5	1,500	240	29	0	1,774
3	Chong Ewe Hean	Executive Director	0	0	0	0	0	0	0	0	3	1,500	240	24	0	1,767
4	Dato' Faiza Binti Zulkifli	Independent Director	38	2	0	0	0	4	44	38	2	0	0	0	4	44
5	Ong Kim Nam	Independent Director	38	4	0	0	0	4	46	38	4	0	0	0	4	46
6	Ong Guat Ean	Independent Director	38	2	0	0	0	4	44	38	2	0	0	0	4	44

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company is of the view that disclosure of the remuneration package of the top five senior management is detrimental to the Company's management of its human resource due to the competitive environment for resources within the industry in which the Group operates.</p> <p>The non-disclosure of the remuneration for top five senior management will not affect the interest of its shareholders.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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	:	The positions of the Chairman of Board and ARMC are held by different individuals, namely Dato' Seri Lee Kah Choon and Mr. Ong Kim Nam respectively.	
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	:	The Terms of Reference of ARMC stipulates that former audit partner of the Group's external auditors shall not be appointed to the ARMC unless he/she has observed a cooling-off period of at least three (3) years before being appointed as a member of the ARMC.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has delegated the responsibility to assess the suitability, objectivity, and independence of the Group's appointed external auditors to the ARMC.</p> <p>The ARMC has established a transparent and formal relationship with the external auditors, who is ultimately accountable to the Company's shareholders and to ensure the Company's external auditors play an essential role in providing credibility to the financial statements by performing the requisite audit procedures so as to have a reasonable basis for the opinion that they render on the financial statements.</p> <p>Annually, the ARMC review and assess the appointment or re-appointment of external auditors to ensure that they are independent both in mind and in appearance. The ARMC also obtained written assurance from the external auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Group in accordance with the independence criteria set out by the Malaysian Institute of Accountants ("MIA").</p> <p>For the financial year ended 30 September 2025, the external auditors, Messrs BDO PLT, has confirmed that they have complied with the independence requirements set out in the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.</p> <p>The external auditors have made communication to the ARMC in accordance with the principles enunciated in International Standard on Auditing ("ISA") 260 Communication with Those Charged with Governance and ISA 265 Communicating Deficiencies in Internal Control to Those Charged with Governance and Management.</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	:	The ARMC comprises solely of Independent Non-Executive Directors, in compliance with its Terms of Reference.

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	:	All members of the ARMC have a wide range of necessary skills, knowledge, and experience, including accounting or related banking expertise and experience in discharging their duties.	
		With the relevant skill sets, knowledge and experience, the ARMC members are financially literate and are able to understand, analyse, critically and objectively review, challenge and make recommendations on matters under the purview of the ARMC, including the financial reporting process. Details of their qualification and experience of each individual member of the ARMC are disclosed in the Directors' Information and the 2025 Annual Report.	
Explanation for departure	:	All members of the ARMC have undertaken continuous professional development to ensure that they are abreast of relevant developments in accounting and audit, standards, practices and rules.	
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 has adopted an Enterprise Risk Management ("ERM") and Internal Control Framework to provide reasonable assurance that potential risks within the Group are properly identified, evaluated and treated to minimise unforeseen adverse impact to the Group.</p> <p>The Board maintained the adoption of ERM by documenting the risk register and identifying the key risks faced by the Group as well as documenting the internal control mechanism.</p> <p>In FYE 2025, the Group has outsourced its internal audit function to Sterling Business Alignment Consulting Sdn. Bhd. ("Sterling"). The internal audit work will be carried out in accordance with a framework set by a recognised professional body i.e. International Professional Practices Framework ("IPPF") issued by the Institute of Internal Auditors ("IIA"), of which final communication of internal audit plan, processes and results of the internal audit assessment are supported by sufficient, reliable and relevant information which signifies a satisfactory conclusion of the internal audit work.</p> <p>All the personnel deployed by Sterling are free from any relationships or conflicts of interest, which could impair their objectivity and independence during the course of the work.</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 Statement of Risk Management and Internal Control is disclosed in the Annual Report.	
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 Group's ARMC, comprises solely of Independent Non-Executive Directors, assumes the risk management portfolio as per its Terms of Reference.

Intended Outcome

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

Practice 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has outsourced its internal audit function to Sterling, which reports directly to the ARMC.</p> <p>The ARMC is authorised to review the internal audit program, processes, the results of the internal audit, or investigation undertaken, and whether appropriate action is taken on the recommendations of the internal audit function and thereafter to report the same to the Board accordingly.</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>Internal audit function is outsourced to Sterling.</p> <p>The internal audit team is led by:</p> <ol style="list-style-type: none">1. Dr. So Hsien Ying, the Principal Consultant of Sterling. She has more than 30 years of experience in corporate planning, business process improvement, risk management, internal audit and internal control review. She holds a Doctor in Business Administration (Wales), a Master in Business Administration (Finance) (Hull), a BSc Economics (Hons) (London). She is also a Certified Internal Control Professional (US), a permanent member of the Internal Control Institute (US), an associate member of the Institute of Internal Auditors Malaysia and a member of the Malaysian Alliance of Corporate Directors.2. Mr. Cheng Chean, a Chartered Member of the Institute of Internal Auditors Malaysia (“CMIIA”) and a Fellow Member of the Chartered Certified Accountant (“FCCA”). Mr. Cheng has 23 years of hands-on experience in the fields of External Audit, Internal Audit and Internal Control Review. <p>All the personnel deployed by Sterling are free from any relationships or conflicts of interest with the Group, which could impair their objectivity and independence during the course of their work. All the personnel possess tertiary qualifications and the requisite level of expertise and professionalism.</p> <p>The number of staff to be deployed for the internal audit reviews ranges from 3 to 4 personnel per visit.</p> <p>The Internal Audit will be carried out using the Committee of Sponsoring Organisations of the Treadway Commission (“COSO”) Internal Control-Integrated Framework. The IA also refers to the International Standards for the Professional Practice of Internal Auditing (Standards) to provide independent, clear, and practical advice for the right processes and internal controls to be in place.</p>

	Further information on internal audit functions is disclosed in the Company's Annual Report.	
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 Board recognised the importance of being transparent and accountable to the Company's investors and stakeholders, as such, various channels were created to maintain communication with them.</p> <p>Corporate information, quarterly financial results and Annual Reports as well as announcements made to Bursa Securities can be accessed from dedicated sections on the Group's website. All information made available to Bursa Securities are immediately uploaded to the Company's website at www.northeast.my.</p> <p>The Company regards the general meetings as the principal forum for dialogue with shareholders and aims to ensure that the meetings provide an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.</p> <p>The Company, via its website, provides comprehensive and easy access to the latest information about the Group and the information on the Group's corporate governance policies and procedures.</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 12.2

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 Company served the Notice of 3rd AGM on 26 January 2026 for its 3rd AGM to be held on 24 February 2026.</p> <p>The Board endeavoured to dispatch its notice at least 28 days before the meeting and is mindful that sufficient notice and time given would allow the shareholders to make necessary arrangements to attend and participate either in person, by corporate representative, by proxy or by attorney. This would also enable the shareholders to properly consider the resolutions that will be discussed and decided at the 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

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	:	All Directors have confirmed their attendance for the 3 rd AGM in person to engage directly with the shareholders. The Management and external auditors will also be attending the AGM to respond to the shareholders’ queries, where applicable.	
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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	In compliance with the requirements of the Securities Commission Malaysia and Bursa Securities, all public listed companies must hold hybrid or physical general meetings from 1 March 2025 onwards. Hence, the Company's 3rd AGM will be held physically at a location which is accessible by public transport.	
		Shareholders who are unable to participate may appoint a proxy to attend and vote on their behalf.	
<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>The Chairman of the Board shall ensure that the shareholders of the Company are allowed sufficient opportunity to participate in Questions and Answers session during the general meeting of the Company.</p> <p>The Company regards the general meetings as the principal forum for dialogue with shareholders and aims to ensure that the meetings provide an important opportunity for effective communication with, and constructive feedback from, the Company's 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	:	

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>		
Application	:	Not applicable – only physical general meetings were conducted in the financial year
Explanation on application of the practice	:	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	The minutes of the forthcoming 3 rd AGM shall be made available on the Group's website at www.northeast.my within 30 business days after the AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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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