

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) recognises the importance of adopting sound corporate governance practices and is committed to apply the Principles, Practices and Guidance set out in the Malaysian Code on Corporate Governance (“MCCG”) throughout the Company and its subsidiaries (“Group”) as appropriate. By upholding high standards of corporate governance, the Board is provided with the impetus to continuously enhance shareholder value and safeguard stakeholders’ interests with a view to create a sustainable business in the long term.

This Corporate Governance Overview Statement (“Statement”) is prepared pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and guided by Practice Note 9 of the MMLR, providing an overview of the application of the three (3) principles set out in the MCCG, as follows:

- a) Principle A: Board Leadership and Effectiveness;
- b) Principle B: Effective Audit and Risk Management; and
- c) Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This Statement should also be read in conjunction with the Corporate Governance Report (“CG Report”) which is available on the Group’s website at www.kotrapharma.com and via an announcement on Bursa Securities’ website.

As of the date of this Statement, the Group has applied the Practices prescribed in the MCCG, except for the following:

- Practice 1.4: The Chairman of the Board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee;
- Practice 4.4: Evaluation of the Board and Senior Management in addressing the Group’s material sustainability risks and opportunities;
- Practice 5.2: At least half of the Board comprises Independent Directors;
- Practice 5.9: The Board comprises at least 30% women Directors; and
- Practice 8.2: Disclosure on a named basis the top five (5) Senior Management’s remuneration components, including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

The CG Report provides detailed application of the MCCG Practices, including disclosures and explanation on any departures as well as alternative practices adopted by the Company to achieve the Intended Outcomes of the departed Practices.

PRINCIPLE A: BOARD LEADERSHIP AND RESPONSIBILITIES

PART I - BOARD RESPONSIBILITIES

1.0 Board’s Leadership

The Board is committed in leading and steering the Group towards achieving its strategic objectives and goals while upholding its core values. In discharging its fiduciary duties and leadership functions, the Board’s overall responsibilities include overseeing the Group’s business conduct, promoting a culture of good corporate governance, ensuring effective shareholder communications and reviewing the adequacy and integrity of internal controls and risk management processes.

The Board is guided by its Board Charter, a main reference for Board members pertaining to their roles and responsibilities. In discharging its oversight function, the Board has established three (3) Board Committees, namely, the Audit Committee (“AC”), Nomination Committee (“NC”) and Remuneration Committee (“RC”) with specific responsibilities delegated to them. The Board Committees assist the Board in deliberating the matters within their respective Terms of Reference. The Board Committees evaluate matters within their purview and provide recommendations to the Board for approval or notation, as the case may be. While the Board Committees perform their specific functions and delegated roles, the ultimate responsibility and decisions on all matters reported by the Board Committee remain with the Board.

The Board Charter and the Terms of Reference of each Committee are available on the Group’s website at www.kotrapharma.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.0 Board's Leadership (Cont'd)

Chairman and Managing Director

The roles of the Chairman and Managing Director are separately held by different individuals and their responsibilities are demarcated, with each having distinct and clearly defined authority and responsibilities as prescribed in the Board Charter. This ensures a balanced distribution of power and authority, thereby preventing any single individual from exercising unfettered powers of decision.

The Board is helmed by Datuk Jamaludin bin Nasir, the Independent Non-Executive Chairman, who is responsible for upholding sound governance practices, ensuring the Board's effectiveness and leading the Board in its collective oversight of Management. Mr. Piong Teck Onn, the Managing Director of the Group, oversees the Group's day-to-day operations and implements strategies, policies and decisions approved by the Board. His role is supported by his fellow Executive Director and a Senior Management team, who collectively bring specialised expertise to ensure the Group's smooth functioning.

The Board comprises a majority of Non-Executive Directors, who are qualified individuals, bringing with them diverse and extensive skills, calibre and experience in relation their roles in the Board. The Independent Non-Executive Directors play a crucial role in the Board by providing the element of objectivity and impartial judgment. This enables sufficient checks and balances, preventing any individual or group from exerting undue influence over the Board and the decision-making process.

Company Secretary

The Board is supported by two (2) qualified and experienced Company Secretaries, both of whom are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). Board members have access to the professional advice and services of the Company Secretaries in ensuring the effective functioning of the Board and Board Committees. Company Secretaries provide administrative and advisory services to the Board and are responsible to ensure all Board procedures and Board management matters align with and comply with the MMLR, MCGG, Companies Act 2016 and other relevant laws and regulations.

At each Board and Board Committee meeting, a Company Secretary or her assistant is present to provide support, ensuring that meetings are duly convened with meeting procedures adhered to. Records of the proceedings and resolutions passed are documented and retained at the Company's registered office.

Access to Information and Advice

The Company Secretaries prepare an annual calendar in advance for all Board and Board Committee meetings as well as the Annual General Meeting to facilitate Directors' planning and to enable informed participation by all Board members. The Board meets every quarterly, with additional meetings convened when necessary.

Prior to each meeting, a formal notice confirming the venue, time, date and a structured agenda, together with the Board and Board Committee papers, are circulated electronically to all Directors at least seven (7) days in advance. This enables Directors to have sufficient time to peruse the reading materials for effective discussion and decision-making during meetings. The minutes of meetings, as prepared by the Company Secretary, constitute a record of all salient matters discussed, decisions made and conclusions reached during the meetings.

While Directors have full and unrestricted access to all information within the Group, they may also seek independent professional advice on specific issues, whenever deemed necessary with the cost borne by the Company, to make independent and informed decisions.

2.0 Demarcation of Responsibilities

The Board has formalised and adopted a Board Charter, which establishes and delineates the roles, responsibilities, duties and functions of the Board, its Committees and individual Directors. It also sets out a schedule of matters reserved for the Board's decisions for better oversight of the Group's business.

The Board Charter is subject to review by the Board at least once every two (2) years or more frequently when the need arises and in tandem with any changes to the MCGG, MMLR or other rules and regulations impacting Directors' responsibilities. Last updated on 20 May 2025, the Board Charter is available on the Group's website at www.kotrapharma.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I - BOARD RESPONSIBILITIES (CONT'D)

3.0 Promoting Good Business Conduct and Corporate Culture

Code of Conduct and Ethics

The Group's Code of Conduct and Ethics ("Code") prescribes the standards of integrity and good conduct expected of our employees and Directors. The Code requires them to comply with all applicable laws and regulations and uphold ethical standards in all business activities of the Group.

Additionally, the Board is also governed by the Directors' Code of Ethics and Conduct ("Directors' Code"), which is incorporated in the Board Charter.

Whistleblowing Policy and Procedures

To promote integrity, transparency and accountability, the Group has formalised in writing Whistleblowing Policy and Procedures ("Whistleblowing Policy"). It provides a secured and structured reporting avenue whereby employees, public and external parties can report any actual or suspected misconduct in good faith without fear of reprisal or retaliation. The Whistleblowing Policy was last updated and approved by the Board on 20 May 2025.

Anti-Bribery and Corruption Policy

In accordance with Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009, the Board has adopted an Anti-Bribery and Corruption ("ABC") Policy, which provides structured guidelines, procedures and controls to prevent bribery and corrupt practices. The Group maintains a zero-tolerance stance towards all forms of bribery, corruption or similar unethical acts. This ABC Policy is crucial for upholding our ethical standards, ensuring compliance with legal requirements and protecting the Group's reputation.

Directors' Fit and Proper Policy

The Board has adopted a Directors' Fit and Proper Policy ("Policy") in compliance with Paragraph 15.01A of the MMLR. This Policy enumerates the fit and proper criteria that serve as a mandatory guide for evaluating the appointment and re-election of Directors to the Board of the Company and its subsidiaries.

The Policy as well as the Code, Whistleblowing Policy and ABC Policy are available on the Group's website at www.kotrapharma.com.

Conflict of Interest Policy

The Board has established a Conflict of Interest ("COI") Policy for Directors and Key Senior Management on 19 August 2024 to ensure that all actual or potential conflicts of interest are identified and managed effectively. The COI Policy requires all Directors and Key Senior Management to always act in the best interest of the Group to avoid any conflict of interest situations that would be detrimental to the Group. In line with the updated Issuers Communication – Guidance on Conflict of Interest (ICN 1/2023) issued by Bursa Securities, the COI Policy was enhanced and approved by the Board on 20 May 2025.

4.0 Sustainability Governance

The Board of Directors is responsible for overseeing the Group's sustainability efforts, including environmental, social, and governance ("ESG") matters. This oversight includes setting the strategic direction and ensuring that sustainability considerations are integrated into the Group's business practices and decision-making processes. Day-to-day implementation and operational execution of these sustainability strategies are led by the Managing Director, supported by Heads of Department and Managers.

The Group engages with stakeholders through various communication methods to enhance understanding of our operations and to gather feedback on relevant issues which are to be considered when strategies are developed. Further details on our key stakeholders, engagement channels and their areas of interest or concern are disclosed in the Sustainability Statement of this Annual Report 2025.

The Board is committed to staying abreast with evolving business environment, including sustainability issues that are relevant to the Group's strategies and operations. With support from the NC, the Board evaluates Directors' training programmes on an annual basis to ensure they are aware of the latest developments and emerging sustainability issues. Details of training attended are disclosed in this Statement.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II - BOARD COMPOSITION

5.0 Composition and Independence of the Board

The Board consists of six (6) members, of whom are two (2) Executive Directors, two (2) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors. This composition ensures a majority of Non-Executive Directors and complies with Paragraph 15.02 of the MMLR, which requires at least two (2) Directors or one-third of the Board members, whichever is higher, to be Independent Non-Executive Directors. The Board members possess a range of skills, calibre and experience, commensurate for an effective oversight of the Group. The profile of each Director is presented in the Directors' Profile section of this Annual Report 2025.

The following changes to the Board composition occurred during the financial year ended 30 June 2025:

- The appointment of Mr. Piong Chee Kuan as a Non-Independent Non-Executive Director, effective 1 February 2025; and
- The resignation of Mr. Piong Chee Kien as a Non-Independent Non-Executive Director, effective 1 March 2025.

The Independent Non-Executive Directors are integral to the Board's governance by providing necessary checks and balances on the Board's deliberation and decision-making. They are independent of Management, with no business, family or other relationships that could impair their objectivity and impartiality in the Board. They provide effective oversight, unbiased views and objective perspectives to all deliberations. This oversight is reinforced with the support of Non-Independent Non-Executive Directors, enabling the Board to constitute a majority of Non-Executive Directors and collectively engendering a boardroom culture of accountability, fair and balanced decision-making.

Although the Company does not apply Practice 5.2 of the MCGG which prescribes at least half of the Board to comprise Independent Non-Executive Directors, the Board believes the existing number and current composition of Board members are sufficient and represent an adequately balanced group of experienced individuals, with the requisite experience and skills which are commensurate with the Group's needs, considering the nature, size and volume of its business.

During the financial year under review, the Board revised its policy on the tenure of Independent Non-Executive Director from nine (9) years to twelve (12) years in line with the MMLR. Upon completion of the tenure, the Independent Non-Executive Director shall step down from the Board.

Appointment of Directors and Senior Management, including Gender Diversity

The Board has established robust procedures for the appointment of new Directors. The NC is responsible to identify, assess and nominate suitable candidates to the Board for consideration on appointment as Director. For each prospective candidate, the NC conducts a fit and proper assessment prior to recommending or otherwise to the Board for consideration. When evaluating potential candidates, the NC considers a range of criteria, including their character, competence, knowledge, expertise, experience, time commitment, professionalism and integrity. The NC also assesses the candidate's ability to discharge the duties as expected, especially for candidates to be considered as Independent Non-Executive Directors.

The Group Managing Director is responsible for selecting and appointing Senior Management, guided by established criteria that assess leadership qualities, character, relevant experience, skills, capabilities, integrity and competencies. These criteria ensure candidates are well-suited to drive the Group's objectives and strategies.

The Board affirms its commitment to fair and equal opportunities to all and does not support any form of discrimination pertaining to ethnicity, cultural background, age or gender. All appointments to the Board and Senior Management are based on merit in the context of diversity in skills, experience, knowledge and other factors which are in the best interests of the Group. Reflecting this principle, the Group's Diversity Policy, approved by the Board, emphasises on qualitative diversity factors and does not prescribe any quantitative targets for gender composition, both at the Board and Senior Management levels. This Diversity Policy is available on the Group's website at www.kotrapharma.com.

Appointment and Re-election of Directors

Pursuant to the Company's Constitution, all Directors shall retire at least once every three (3) years and are eligible for re-election at the Company's Annual General Meeting ("AGM"). In addition, the Constitution and MMLR also require the newly appointed Directors to hold office only until the next AGM and shall be eligible for re-election. For the financial year ended 30 June 2025, the NC met and assessed the retiring Directors' eligibility for re-election at the forthcoming AGM. The retiring Directors have declared to the NC their conformance to the Group's fit and proper criteria, including any conflict of interest and competing interest with the Group, using the Board-approved prescribed forms.

Upon assessing such declarations and in the absence of any inconsistencies that it was aware of, the NC recommended to the Board, who concurred to include the resolution on the re-election of retiring Directors to be tabled for shareholders' approval. A statement confirming the Board's and NC's satisfaction with the performance and effectiveness of the retiring Directors who offered themselves for re-election at the forthcoming AGM, is included in the explanatory notes of the Notice of AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II - BOARD COMPOSITION (CONT'D)

5.0 Composition and Independence of the Board (Cont'd)

The Nomination Committee

The NC comprises exclusively Non-Executive Directors, with a majority being Independent Non-Executive Directors. The Board has tasked the NC with identifying and recommending suitable candidates for directorship and for conducting the annual performance evaluation of the Board, its Committees and individual Directors.

The members of the NC are as follows:

- Datuk Jamaludin bin Nasir – Chairman, Independent Non-Executive Director;
- Lee Min On – Member, Independent Non-Executive Director;
- Piong Chee Kien – Member, Non-Independent Non-Executive Director
(Resigned as a NC Member on 1 March 2025); and
- Piong Chee Kuan – Member, Non-Independent Non-Executive Director
(Appointed as a NC Member on 1 March 2025).

The Nomination Committee held a total of three (3) meetings and has undertaken the following activities for the financial year ended 30 June 2025:

- (i) Assessed the performance and effectiveness of the Board as a whole, the Board Committees and the individual Directors;
- (ii) Reviewed the terms of office and performance of the AC and each of its members;
- (iii) Conducted the annual evaluation of the Key Officers and Directors of Subsidiaries of the Company;
- (iv) Reviewed the independence of the Independent Non-Executive Directors based on the criteria as prescribed under the MMLR;
- (v) Reviewed the continued eligibility of retiring Directors and their written consent to act, before recommending their re-election to the Board;
- (vi) Reviewed and recommended to the Board, the appointment of Mr. Piong Chee Kuan as the Non-Independent Non-Executive Director; and
- (vii) Reviewed the revised Terms of Reference of Remuneration Committee and Board Charter before recommending to the Board for approval.

6.0 Overall Effectiveness of the Board and its Individual Directors

The Board has delegated to the NC the responsibility of conducting an annual evaluation of the performance and effectiveness of the Board as a whole, the Board Committees and individual Directors. For the financial year under review, the NC helmed the evaluation, which was conducted through a self and peer assessment approach, using pre-set questionnaires. These questionnaires cover key areas such as Board's and Board Committee's effectiveness, individual Director's performance and the Board's structure, size, and composition.

The NC also assessed the independence of the Independent Non-Executive Directors based on a declaration by the Directors concerned their conformance to the independence criteria prescribed by the MMLR. The Board was generally satisfied with the level of independence demonstrated by the two (2) Independent Non-Executive Directors, with no indications that could compromise or interfere with their ability in exercising independent and objective judgement.

Based on the evaluation conducted, the NC was satisfied with the current Board composition, with a consensus that the Directors have shown effectiveness and dedication in serving the Board, both in terms of their time commitment and active participation at meetings. Following assessment of the suitability and eligibility of the retiring Directors to continue serving on the Board, the NC recommended to the Board the re-election of retiring Directors at the upcoming AGM of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II - BOARD COMPOSITION (CONT'D)

6.0 Overall Effectiveness of the Board and its Individual Directors (Cont'd)

Time Commitment

The Directors are cognisant of the time commitment required to fulfil their fiduciary duties and responsibilities. Scheduled meetings are held on a quarterly basis with additional meetings convened when necessary. In most cases, the Company leveraged on technology by conducting Board and Board Committee meetings online to facilitate meeting participation. The Board was satisfied that all Directors met the minimum attendance requirement of 50% of Board meetings during the financial year under review as stipulated by the MMLR.

The Directors' attendance record for the financial year ended 30 June 2025, is as below:

No.	Director	Meeting attendance for the financial year ended 30 June 2025			
		Board	AC	NC	RC
1.	Datuk Jamaludin bin Nasir	5/5	5/5	3/3	1/1
2.	Lee Min On	5/5	5/5	3/3	1/1
3.	Piong Chee Kien	4/4	4/4	2/2	1/1
4.	Datuk Piong Teck Yen	4/5	-	-	-
5.	Piong Teck Onn	5/5	-	-	1/1
6.	Chin Swee Chang	5/5	-	-	-
7.	Piong Chee Kuan	2/2	1/1	1/1	-

Note: On 1 February 2025, Mr. Piong Chee Kuan was appointed as the Non-Independent Non-Executive Director. Mr. Piong Chee Kien resigned from the Board as the Non-Independent Non-Executive Director on 1 March 2025.

The Board recognises the importance of continuous professional development to enable Directors to discharge their roles and responsibilities effectively. The Directors undergo training programmes and seminars from time to time or as deemed necessary to keep abreast with market developments, corporate governance promulgations, prevailing business landscape, industry practices, statutory and regulatory changes.

During the financial year under review and up to the date of this Statement, the Directors attended various trainings, which included briefings, seminars, workshops and conferences conducted by the relevant regulatory authorities and professional bodies. All Directors have completed the Mandatory Accreditation Programme ("MAP") Part I and MAP Part II as of the date of this Statement.

The details of the trainings attended by the Directors during the financial year ended 30 June 2025 are listed in the table below:

Name of Directors	Trainings Attended
Datuk Jamaludin bin Nasir	Mandatory Accreditation Programme Part II: Leading For Impact ("LIP")
Piong Teck Onn	MOPI Regulatory Plus Conference
	Knowledge of Biologic/Biosimilar
	Seminar on Training of Preceptor ("TOP") for Provisionally Registered Pharmacists
	Workshop on Streamlining Approval Process for Pharmaceutical Plant Construction
	Webinar on Exporting Pharmaceutical Products to UAE and Saudi Arabia
Datuk Piong Teck Yen	Mandatory Accreditation Programme Part II: Leading For Impact ("LIP")

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II - BOARD COMPOSITION (CONT'D)

6.0 Overall Effectiveness of the Board and its Individual Directors (Cont'd)

Time Commitment (Cont'd)

Name of Directors	Trainings Attended
Chin Swee Chang	Liability Insurance "Policy Coverage, Marketing and Claims"
	Marine Cargo and Goods In Transit Insurance
	Agent Engagement Session: e-Invoice
	Demystifying the Intricacies of Air Insurance Claims
	Overview of Persatuan Insurans Am Malaysia ("PIAM")
	FlexiCo Medical Insurance
	New Product - Travel Cruise
	Fair Treatment of Financial Consumers ("FTFC")
	Legal Concepts, Risk Management and Key Liability Products
	Comprehensive insights of the revised Fire Tariff ("RFT")
	Anti-Bribery and Corruption ("ABC") Training
	Mandatory Accreditation Programme Part II: Leading For Impact ("LIP")
Lee Min On	Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"): Fraud Risk Management
	Malaysian Institute of Certified Public Accountants ("MICPA"): MICPA-CA ANZ Conference 2024
	Malaysian Institute of Corporate Governance: Sustainability-related Risks & Opportunities
	Securities Commission Malaysia: Audit Oversight Board Conversations with Audit Committee 2024
	Mandatory Accreditation Programme Part II: Leading For Impact ("LIP")
Piong Chee Kuan	Mandatory Accreditation Programme Part I

PART III - REMUNERATION

7.0 Remuneration Policies and Decisions

The RC comprises a majority of Non-Executive Directors, with the Committee Chairman being an Independent Non-Executive Director. The Group's remuneration matters are under the purview of the RC, guided by its Board-approved Terms of Reference which are available on the Group's website at www.kotrapharma.com.

The members of the RC are as follows:

- Datuk Jamaludin bin Nasir – Chairman, Independent Non-Executive Director;
- Lee Min On – Member, Independent Non-Executive Director;
- Piong Teck Onn – Member, Group Managing Director;
- Piong Chee Kien – Member, Non-Independent Non-Executive Director (*Resigned as a RC Member on 1 March 2025*); and
- Piong Chee Kuan – Member, Non-Independent Non-Executive Director (*Appointed as a RC Member on 1 March 2025*).

In line with Practice 7.1 of the MCGG, the Board has established Policies and Procedures for the Remuneration of Directors and Senior Management ("Policies and Procedures"). For Executive Directors, their remuneration is structured, linking rewards to the performance of the Group and individuals, with reference to companies of comparable business, and market capitalisation. The remuneration of Non-Executive Directors is pegged against their roles, experience, expertise, level of responsibilities and participation in meetings. The remuneration of Non-Executive Directors, comprising fixed annual fees and meeting allowances, is determined by the Board and is subject to shareholders' approval at AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART III - REMUNERATION (CONT'D)

7.0 Remuneration Policies and Decisions (Cont'd)

The RC reviewed, deliberated, and recommended to the Board the remuneration of Directors for the financial year ended 30 June 2025, with the respective Directors abstaining from deliberations concerning their own remuneration.

The remuneration of Senior Management is reviewed and decided by the Group Managing Director on an annual basis. The components of remuneration packages consist of basic salary, bonus and other benefits which are reflective of their qualifications, experience, market competitiveness, responsibilities and the performance of the Group and individuals.

8.0 Remuneration of Directors and Senior Management

The total remuneration received by the Directors for the financial year ended 30 June 2025 amounted to RM421,700 from the Company and RM3,829,017 from the Group. Detailed remuneration for each Director on a named basis is disclosed in accordance with Practice 8.1 of the Corporate Governance Report ("CG Report"). The CG Report is accessible on Bursa Securities and via the Group's website at www.kotrapharma.com.

The Board has decided not to disclose the remuneration of the top five (5) Senior Management on a named basis as such disclosure is prejudicial to the Group's best interest and could adversely affect the Group's position given the highly competitive human resource environment in which the Group operates. Due to the sensitive nature of such information and to prevent talent poaching, the Board has opted for an alternative approach under Practice 8.2 in the CG Report for the information of shareholders.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I - AUDIT COMMITTEE

9.0 Effective and Independent Audit Committee

The AC comprises three (3) Non-Executive Directors, majority of whom are Independent Directors. The AC Chairman is not the Board Chairman, ensuring independent oversight and therefore, aligns with Practice 9.1 of the MCCG. The AC is guided by their Terms of Reference, available on the Group's website at www.kotrapharma.com.

In line with Practice 9.2 of the MCCG, the AC observes a cooling-off period of at least three (3) years before appointing any former partner of the external audit firm or its affiliates as a member of the AC. All AC members are financially literate, the attribute of which is essential to assist the Board in overseeing financial reporting, ensuring its accuracy, completeness and compliance with applicable financial reporting standards. The AC is also responsible to review related party transactions and conflict of interest situations, within the Group, including the mitigating measures thereof, as well as the provision of non-audit services by the External Auditors and/or their affiliates.

Further details on the AC's composition and summary of work done during the financial year ended 30 June 2025 are set out in the Report of the Audit Committee, included in the Company's Annual Report 2025.

External Auditors

The External Auditors have provided assurance to the AC regarding their independence, i.e., they were and had been independent throughout the audit engagement for the financial year under review. The AC conducted an annual assessment on the performance, suitability, objectivity and independence of the External Auditors by using pre-set questionnaires adapted from Bursa's Corporate Governance Guide (4th Edition). This evaluation included consideration on the level of audit fees to ensure a quality audit was conducted, including the nature and extent of non-audit services and the associated fees to prevent any compromise on the External Auditors' independence and objectivity.

For the financial year ended 30 June 2025, the AC was satisfied with the outcome of this assessment and recommended that the Board endorse the re-appointment of the External Auditors for the upcoming financial year, subject to shareholder approval at the forthcoming AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

PART II - RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

10.0 Sound Risk Management and Internal Control Framework

The Board recognises its statutory responsibility in establishing and maintaining a sound risk management and internal control framework within the Group. The AC assists the Board by overseeing the Group's Enterprise Risk Management ("ERM") framework and regularly evaluates its adequacy and effectiveness, with assistance from an outsourced independent service provider appointed, namely BDO Governance Advisory Sdn Bhd ("BDOGA"). The ERM framework is designed to identify, manage and mitigate significant risks as well as to safeguard stakeholders' interests and protect the Group's assets. The principal business risks are rated, prioritised according to their likelihood of occurrence and potential impact, and are compiled through risk registers and risk profiles, facilitated by BDOGA and in conjunction with the various process and risk owners. Significant risks are managed to acceptable levels through the implementation of suitable internal controls by Management, helmed by the Group Managing Director on an ongoing basis.

The Statement on Risk Management and Internal Control in this Annual Report 2025 provides an overview of the Group's risk management and internal controls of the Group.

11.0 Internal Audit Function

The Group's Internal Audit function was outsourced to BDOGA during the financial year under review. BDOGA was independent of the activities it audited and was free from any relationship or conflict of interest that could impair its objectivity. The Internal Audit function was led by the Head of Internal Audit and had a clear line of reporting to the AC. To further safeguard independence, the Head of Internal Audit function was distinct from the BDOGA personnel responsible for the Group's risk update.

BDOGA supported the Board and AC by providing an independent assessment of the adequacy and effectiveness of the Group's internal control systems. The Internal Audit function adopted a risk-based audit approach, with standards and practices aligned to the International Professional Practices Framework ("IPPF") of the Institute of Internal Auditors.

Internal audit was carried out based on a plan approved by the AC. All audit findings, along with Management's action plans and responses thereto, were reported directly to the AC. This process provided the AC with assurance and comprehensive and timely insights into the effectiveness of the Group's internal controls systems.

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

PART I - ENGAGEMENT WITH STAKEHOLDERS

12.0 Continuous Communication Between the Company and Stakeholders

The Board is mindful of accurate and timely dissemination of material information to shareholders, stakeholders and the public at large. The Group maintains an active communication approach by leveraging various channels, including information technology.

The Board is guided by the disclosure requirements of the MMLR and the Corporate Disclosure Guide issued by Bursa Securities. To promote transparency, foster trust and support informed decision-making, the Board has established pertinent Corporate Disclosure Policies and Procedures ("CDPP"). The CDPP provide specific guidance on the disclosure of material information, maintaining confidentiality and dissemination of information.

All material information is released via Bursa Securities, allowing shareholders and other stakeholders to access the Group's financial results and all other announcements. The Board reviews and approves all such announcements prior to their release to regulators, except for administrative matters, which are delegated to the Company Secretaries.

The Group maintains a corporate website that features a dedicated Investor Relations section, where information such as announcements, corporate policies, Annual Reports, Board Charter, Terms of Reference, AGM notices and minutes are readily accessible. Shareholders and the public may also submit queries through the e-mail contact available in the Investor Relations section and all relevant concerns are addressed promptly.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II - CONDUCT OF GENERAL MEETINGS

13.0 Shareholders' Participation and The Board and Senior Management Engagement

The Company's AGM serves as an important platform for a direct communication and engagement between the Board and shareholders. The Chairman of the Board chairs the AGM and ensures that the AGM is conducted in an orderly manner. The Chairman encourages shareholders' participation by allocating sufficient time for them to exercise their rights to raise questions and express concerns regarding all aspects of the Group's business and performance, including both financial and non-financial matters.

Shareholders are provided with the notice and agenda of AGM at least twenty-eight (28) days prior to the AGM, in line with Practice 13.5 of the MCCG. This advance notice provides adequate time for shareholders to review the Annual Report, assess all proposed resolutions and make necessary arrangements to participate and vote, whether on their own or by appointing proxy.

The date of the AGM is scheduled in advance to ensure that all Directors are present to provide meaningful responses to questions addressed to them. The Twenty-Fifth ("25th") AGM was held virtually with all Directors, Senior Management, Company Secretary and representative of External Auditors in attendance at the Broadcast Venue to address questions raised by shareholders and proxies. The Executive Director of Kotra Pharma (M) Sdn. Bhd. presented the operational and financial performance for the financial year ended 30 June 2024, alongside an overview of the Group's activities, key challenges, market outlook and strategies for the following financial year.

By utilising Remote Participation and Voting ("RPV"), the shareholders casted their votes and submitted real-time questions. Live queries and pre-submitted questions (including from Minority Shareholder Watch Group) were made visible to all meeting participants. The Directors and Senior Management addressed and responded to the questions raised during the 25th AGM. All resolutions were voted on by poll, and an independent scrutineer was appointed to validate the votes for each resolution. The poll results were announced prior to conclusion of the 25th AGM by the Chairman and were published on the Group's website and via Bursa Securities on the same day.

The minutes of the 25th AGM were uploaded on the Group's website at www.kotrapharma.com within thirty (30) business days after the AGM.

KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board remains committed to uphold good governance and ethical standards while enhancing oversight of sustainability initiatives. In tandem with increased scrutiny by stakeholders on the environmental, social and governance ("ESG") agenda, the Board will pivot its focus towards engendering ESG consideration in the Group's Policies on Remuneration for Directors and Senior Management.

The Board is also mindful of the National Sustainability Reporting Framework issued by the Advisory Committee on Sustainability Reporting, which prescribes compliance, on a phased approach, with IFRS S1: Disclosure of Sustainability-related Financial Information and IFRS S2: Climate-related Disclosures issued by the International Sustainability Standards Board. Accordingly, the Board, together with Management, will implement a process to capture the quantitative and qualitative information mandated by the IFRSs mentioned above, for disclosure.

This CG Overview Statement was approved by the Board on 7 October 2025.