

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 5038  
**COMPANY NAME** : KSL Holdings Berhad  
**FINANCIAL YEAR** : December 31, 2021

### **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 PERSUANT 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors (“the Board”) of KSL Holdings Berhad (“KSL” or “the Company”) (collectively with its subsidiaries, “the Group”) is ultimately accountable and responsible for the oversight and overall management of the Company. The Board fully understands their responsibilities in the Group to optimise balance of a sound and sustainable operation with an optimal corporate governance framework in order to safeguard shareholders’ value.</p> <p>The Board takes full responsibility for the overall performance of the Company and its Group and its obligations to the Company’s shareholders and other stakeholders. In order to ensure the effective discharge of the Board’s functions and responsibilities, the Board has in place the Board Charter, and has established Board Committees (viz the Audit, Remuneration, Nomination and Risk Management Committees) with clear Terms of Reference.</p> <p>There are established procedures to ensure the process for the Company’s financial and non-financial reporting on various subjects such as cyber security, industry trends, operations, legal and regulatory matters, the Companies Act 2016 and Malaysian Code on Corporate Governance (“MCCG”), with or without professional, that were held at the Meetings. All Directors attended these briefings. In addition, to keep themselves appraised and to assist in the discharge of their functions, all Directors regularly attend talks on operational, legal, regulatory and industry matters.</p> <p>The Board has reserved a formal schedule of matters for its decision making as encapsulated in its Board Charter to ensure that the direction and control of the Group. Please refer to Practice 2.1 for details.</p> <p><b>1. Establishing and reviewing the strategic direction of the Group</b></p>

The values and aspirations of the Group form the foundation of the business strategies of the Group. The Board had put in place a strategy review process, whereby the Executive Directors presented to the Board the existing landbanks to be developed, available excess cash and capital commitments of the Group for review of strategies identification. The strategy planning and review process were also supported by reports and updates from Executive Directors focus on the planned development project progress and review as well as factors affecting the performance and strategies of the Group.

**2. Overseeing the conduct of the business of the Group and to evaluate whether the business is being properly managed**

On quarterly basis, the financial and non-financial performance is presented by the Executive Directors to the Board, including but not limited to, progress of end-user financing for sales not completed, planned development project progress, status of unsold completed units and occupancy rate of property investment division. In addition, the Finance Director presented the comparison of actual financial results against corresponding financial periods (including the major components of financial performance and position) on quarterly basis to the Audit Committee for their review and subsequent reporting to the Board. Upon identification of key business and financial issues by the Board members, such issues are deliberated by the Board to ensure that the issues in question are properly managed and adequately addressed.

**3. Tone from the Top**

The Board acknowledge that, as one of its fiduciary duty to the stakeholders, high standards of integrity and accountability are required in the conduct of the Group's business and be embedded across the Group. To set the tone from the top, the Board had established the Group's Code of Conduct to govern the standards of ethics and good conduct expected of the employees, customers and vendors as well as the foundation for ethic rules within the Group. At operational level, integrity and ethical value expected from the employees are incorporated in the Employee Handbook by the Management based on the value promoted in the Code of Conduct. In order to promote the integrity and ethical value, a formal Group Anti-Bribery and Anti-Corruption Policy had been put in place by the Board to prevent the risk of bribery and conflict of interest within the Group with a formal Whistle-Blowing Policy to create an environment where stakeholders can whistle-blow on improper behaviour without being victimised for doing so.

Please refer to Practice 3.1 and 3.2 for detailed disclosure on Code of Conduct and Ethics and Whistle-Blowing Policy.

**4. Identifying principal risks faced by the Group and ensuring the implementation of appropriate controls and systems to monitor and manage these risks**

The Board had put in place a formal Group Risk Management Policy for the structured management of the business risks faced by the Group. Based on the Group Risk Management Policy established, the Board are kept informed on the emergence and changes of the key risks faced by the Group and the steps taken by the Management to manage these risks at predetermined interval or as the need arise. Risk assessment by the Risk and Sustainability Management Committee, at gross and residual level, are guided by the likelihood rating and impact rating established by the Board based on the risk tolerance acceptable by the Board.

Further details on the risk management process are disclosed in the Statement of Risk Management and Internal Control in the Annual Report.

**5. Succession planning and performance appraisal of the Board**

The Board, through the Nomination and Remuneration Committees, are tasked with duty of the succession planning of the Group, which includes the appointment and determination of the compensation of members of the Board and Senior Management. Furthermore, it is the duty of the Nomination Committee to assess the performance of the Board as a whole, Board Committees and individual Directors (including Finance Director).

The succession planning of the Group is enhanced by the policies and standard operating procedures as well as job descriptions established for key business processes within the Group. In addition, during the review of the performance and strategies presented by the Executive Directors, at times, the Board reviews together with the Executive Directors on the adequacy of calibre and competent human resources that are put in place for daily management and control of operations as well as proper execution of approved strategies. The Management of the Group is subjected to annual performance appraisal based on the formal human resource policy established.

Further details on the role and responsibilities of the Nomination and Remuneration Committees are disclosed in Practice 5.8 and 7.2.

**6. Overseeing the development and implementation of a shareholders' and stakeholders' communication protocol for the Company**

The Board ensures the shareholders and stakeholders are kept informed on material events through the announcement made

through Bursa Malaysia Securities Berhad. The principles adopted by the Board on corporate disclosure are transparency and accountability, compliance with relevant laws and regulations, confidential and timely disclosure as well as fair and equitable access to information. The Board shall ensure effective communication of the information on operations, activities and performance of the Group to the shareholders and other stakeholders with the Company's investor relations function overseen by Mr. Lee Chye Tee, the Finance Director.

**7. Reviewing the adequacy and the integrity of internal control systems and management information systems (including the integrity of the financial and non-financial reporting), including systems for ensuring compliance with applicable laws, regulations, rules, directives and guidelines**

The internal control system of the Group is made up of five core components, i.e. Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring Activities with principles representing the fundamental concepts associated with each component.

The Internal Audit function of the Group is outsourced to an independent professional firm that reviews the internal control system (including the integrity of the financial and non-financial reporting, if applicable) of the Group based on the approved internal audit plan and reports its findings to the Audit Committee on its adequacy and effectiveness (i.e. present and functioning).

The integrity of the financial reporting is also subjected to audits performed by the External Auditors during their audits on the financial statements of the Company and its subsidiaries.

During quarterly meeting of Audit Committee, the draft financial statements are reviewed by the Audit Committee with the Management with key focuses on the accounting policies used, analysis of major changes in components of financial statements, major judgmental and risk areas, significant adjustments, the going concern assumption, compliance with accounting standards, compliance with Main Market Listing Requirements ("MMLRs") and other legal requirements. For the annual audited financial statements, the Audit Committee reviews the annual statutory accounts, the Audit Report, issues and reservations arising from audits and the management letter (if any), with the External Auditors and the Management.

Further information on the Group's Internal Audit function and works performed by the Audit Committee on the financial reporting are disclosed in Practice 11.1 of this report, the Statement of Risk Management and Internal Control and Audit Committee Report respectively in the Annual Report.

	<p><b>8. Reviewing Corporate Governance Compliance</b></p> <p>The Board is the focal point of the Company’s Corporate Governance system. The Board as a whole, led by the Chairman works together with Senior Management to promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour. This is demonstrated by the Board Charter and Terms of References that are regularly reviewed.</p> <p>The Board, through the review of the draft Corporate Governance Report and Corporate Governance Overview Statement by the Audit Committee and reported to the Board, assesses the current standings of the corporate governance practices. The Board formulate action plans from time to time to enhance and promote good and recommended corporate governance practices.</p> <p><b>9. Sustainability Management</b></p> <p>The Board had established a formal Sustainability Policy, detailing the governance structure and processes to be employed by the Management for the identification, prioritisation, monitoring and reporting of material sustainability matters and stakeholder groups pursuant to MMLRs and in compliance with Sustainability Reporting Guide issued by Bursa Malaysia Securities Berhad in material aspects.</p> <p>As at the date of this report, the Management had identified the internal and external stakeholders in the context of the Group with such stakeholders prioritised based on criteria and rating system approved by the Board. In addition, the Management had identified sustainability matters for which they are assessed on their significance from the Group perspective and their degree of significance to influence the assessment and decision by internal and external stakeholders based on agreed upon criteria and rating system approved by the Board. The results of the assessments were presented to the Audit Committee for review and its subsequent reporting to the Board.</p> <p>Please refer to the Sustainability Statement in the Annual Report on the management of material economic, environmental and social risks and opportunities.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Executive Chairman of KSL, Mr. Ku Hwa Seng has been providing his strong and fair leadership whilst prioritising the Board's objective when he is discharging his duties. He encourages greater participation of Directors in all deliberations of all issues in the meetings by giving them ample time to deliberate during the stipulated meeting time. He abstains for all deliberations issues which have conflict of interest as well as its decision making thereafter.</p> <p>As provided in the Board Charter and during the Board Meetings held during the financial year under review, the roles and responsibilities of the Chairman are as follows: -</p> <ul style="list-style-type: none"><li>a) To provide leadership to the Board;</li><li>b) To provide governance in matters requiring corporate justice and integrity and to lead the Board in establishing and monitoring good corporate governance;</li><li>c) To oversee the Board in the effective discharge of its responsibilities;</li><li>d) To lead the Board in the oversight of the Management and ensure its effectiveness of all aspects of its role;</li><li>e) To set board agenda and ensuring directors receive complete and accurate information timely;</li><li>f) To ensure the efficient organisation and conduct of the Board's meetings;</li><li>g) To ensure that quality information to facilitate decision-making is delivered to Board members on a timely basis;</li><li>h) To facilitate the effective contribution of all Directors at Board meetings and encouraging active participation and allowing dissenting views freely expressed;</li><li>i) To promote constructive and respectful relations within the Board, and between the Board and Management;</li><li>j) To promote effective communication among the Board members and with shareholders and relevant stakeholders with their views are communicated to the Board;</li><li>k) To chair general meetings of shareholders; and</li><li>l) To maintain effective professional relationship with external parties, investing public, regulatory bodies and trade associations.</li></ul>

	Further details on the roles and responsibilities of the Chairman of the Board are stated in Paragraph 3.2 of the Board Charter, accessible through “Others” section of the “News” tab of the corporate website at <a href="http://www.ksl.my">www.ksl.my</a> .	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The position of the Chairman and the Group Managing Director is separated and held by different individual. There is a clear division of responsibilities between the Executive Chairman and the Group Managing Director. Executive Chairman is Mr. Ku Hwa Seng whilst Group Managing Director is Mr. Khoo Cheng Hai @ Ku Cheng Hai.</p> <p>The Executive Chairman is responsible for the governance, orderly conduct and effectiveness of the Board while the Group Managing Director is responsible for managing the Group's business operations and implementation of policies and strategies approved by the Board.</p> <p>The roles and responsibilities of Group Managing Director are as follows: -</p> <ul style="list-style-type: none"><li>a) To develop corporate strategies for the Group for the Board's approval and to implement such corporate strategies for the Group so approved;</li><li>b) To implement other Board's decision effectively and efficiently;</li><li>c) To provide leadership in order to achieve the vision, management philosophy and business strategies;</li><li>d) To ensure the efficiency and effectiveness of the day-to-day operations of the Group in accordance with authorities and delegations authorised by the Board;</li><li>e) To safeguard the assets of the Group;</li><li>f) To ensure effective internal and external reporting of the Group;</li><li>g) To ensure compliance with applicable laws and regulations;</li><li>h) To assess business opportunities which are of potential benefit to the Group and to recommend major business opportunities for the Board's consideration;</li><li>i) To communicate material and relevant matters to the attention of the Board timely and accurately for decision making;</li><li>j) To execute and implement risk management policy and process approved by the Board throughout the Group;</li><li>k) To ensure adequacy and effectiveness of the internal control system of the Group;</li><li>l) To execute and implement sustainability management policy and process approved by the Board throughout the Group;</li><li>m) To execute and implement anti-bribery and corruption policy and process approved by the Board throughout the Group; and</li></ul>

	<p>n) To discharge the responsibilities delegated by the Board and to execute authorities delegated by the Board, effectively and efficiently.</p> <p>The clear distinction of the roles and responsibilities of Chairman and Group Managing Director (including Executive Directors) are defined in paragraph 3.2 of the Board Charter which is available on “Others” section of the “News” tab of the corporate website at <a href="http://www.ksl.my">www.ksl.my</a>.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### Intended Outcome

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

### Practice 1.4

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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Chairman of the Board was not a member of the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee during the financial year under review.  The Chairman of the Board did not participate, including by way of invitation, in the meeting of the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee during the financial year under review.  Upon or after the conclusion of respective Board Committee meetings, the Chairman of such Board Committee was invited to report to the Board during its scheduled meetings on the matters discussed, review performed and recommendations concluded during such Board Committee meetings in order for the Board, led by the Chairman of the Board, to fulfil its oversight roles and responsibilities in unbiased manner.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

### 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board is assisted by a qualified and competent Company Secretary, Mr. Lim Pei Cheng, who is an Associate member of Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and qualified to act as company secretary under Section 235(2) of the Companies Act 2016.</p> <p>The Secretary provides active support to the Chairman, Directors, the Board and Board Committees that includes (but not limited to) the following areas: -</p> <ul style="list-style-type: none"><li>a) Advisory role to the Board with regards to the MCCG, MMLRs, Companies Act 2016, Company's Constitution, Terms of Reference of the Board Committees, Board Charter and the consequential application, disclosure and compliance requirements and other applicable related matters;</li><li>b) Management of and preparation of minutes of Board and Board Committee Meetings that include the setting of the Agendas with the Chairman and Group Managing Director, dissemination of information and papers for the meetings, procedures for meetings, recording of deliberations and decisions, and all related matters; and</li><li>c) Management of the Annual General Meeting ("AGM") that includes the collation of the Annual Report, Circulars to Shareholders, Notice of AGM, working with the Share Registrars and ensuring that the due processes and proceedings are in place for the effective conduct of the AGM.</li><li>d) Acts as the reference point by the Board in monitoring the corporate governance development and guide on the compliance of the relevant corporate governance rules and guidelines as well as providing professional advice on the level of corporate governance compliance within the Group in meeting the Board's needs and stakeholders' expectations.</li></ul> <p>The Secretary also undertakes the statutory duties as prescribed under the Companies Act 2016 and the MMLRs.</p> <p>The Board as a whole is responsible for appointment and removal of Company Secretary and all Directors have direct access to the advice</p>

	<p>and services of the Company Secretary in discharging their duties effectively.</p> <p>The Company Secretary attended briefing and updates provided by relevant regulatory bodies or professional firms in order to keep abreast with the latest development in the relevant regulatory requirements, codes or guidance and legislations in order to ensure timely compliance with relevant laws and regulations.</p> <p>Further details on the roles of the Company Secretary are stated in Paragraph 4 of the Board Charter, accessible through “Others” section of the “News” tab of the corporate website at <a href="http://www.ksl.my">www.ksl.my</a>.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### Intended Outcome

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

### Practice 1.6

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee meetings of the Company were not combined with the Board Meetings during the financial year under review and other directors and employees attended any particular Audit Committee meeting only at the Audit Committee's invitation in order for the Audit Committee to discharge its delegated oversight duties by the Board and such invitations were specific to relevant agenda item of the meeting.</p> <p>Board papers (made up of the notice and agenda of meetings, minutes of the previous Board and Board Committees' meeting, draft quarterly financial results (with comparisons), professionals' reports, financial and operation reviews, proposed changes to the Board's policies and Board Committees' terms of reference, existing landbanks and unsold completed units, borrowings and gearing, planned capital commitment, relevant statements and reports to be made in Annual Report, draft circulars/statements, related party transactions, interest of directors in the Company, list of Directors' circular resolutions, list of announcements submitted to Bursa Malaysia Securities Berhad, major operational and financial issues and other relevant documents), are circulated via email to the Directors no more than five (5) working days before the date of meeting to enable the members of the Board to have sufficient time to obtain comprehensive understanding of the issues to be deliberated upon prior to the Board meeting. All matters arising from the previous meetings forms part of the agenda of the succeeding meeting and are reported in the next meeting in both Board meeting and its board committees accordingly. Board committees' minutes are presented to the Board members in the subsequent meeting. Unless varied by any terms of reference, meetings and proceedings of the Board will be governed by the Company's Constitution.</p> <p>Chairman of the Board meeting shall be the Chairman to the Board and in the absence of the Chairman and/or an appointed deputy in any meeting, the remaining members present shall elect one of themselves to chair the meeting in accordance with the provisions set out in the Constitution.</p> <p>The quorum for meetings shall be two (2) members in accordance with the Constitution. A duly convened meeting of a Board at which a quorum is present shall be competent to exercise all or any of the</p>

	<p>authorities, powers and discretion vested in or exercisable by the Board.</p> <p>The Board may invite external parties such as the Management, auditors, solicitors or consultants to brief and clear the Directors' doubt or concern as and when the need arises. External parties invited may attend part or whole Board Meeting at the discretion of the Board.</p> <p>Questions or clarifications raised by the Board members are dealt with either before or during the meetings and shared with the rest of the Board members. Each of the agendas presented to the Board during the year, for the Board's review, consideration and/or approval were deliberated upon and discussed extensively and where required, deliberation of specific Committee's recommendations prior to the Board's decision. Each of the Committee Chairpersons provides their reports of the respective Committees to the Board at the Meetings. Management were invited to attend and present at the Meetings to provide explanations or to engage in discussions with the Board. The Chairman encourages open discussions.</p> <p>The Chairman of the Board, on the advice of the Company Secretary, together with the Group Managing Director, determined the agenda of the meetings of the Board during the financial year under review and ensured that sufficient time was allocated during the meeting proceedings so that each agenda items or issues brought up were discussed or deliberated in necessary depth before decisions were made. The Secretary shall take minutes of the meetings which shall be with sufficient details of the deliberations and decisions made in the meeting and circulated to all members of the Board no less than five (5) workings days before the date of the next meeting for review.</p> <p>All Directors have full access to the information within the Company and are entitled to obtain full disclosure of facts from the Management and advice or services from the Company Secretary or independent professional adviser at the Company's expenses in carrying out their duties. This ensures that all the matters that are put forward to the Board for decision making will be discussed and examined in an impartial manner, taking into account the long-term interests of shareholders, employees, suppliers and other public in which the Group conducts its business.</p> <p>Administrative matters are carried out vide written circular resolutions to save time and enhance efficiency with salient information is encapsulated in the said written circular resolution supported by relevant supporting document/information pertaining to the matters to enable the Directors to make an informed decision.</p> <p>Annual tentative meeting timetable for next calendar year is prepared by the Company Secretary in the fourth quarter of every calendar year for members of the Board to review and confirm so that time schedule of individual members of Board are coordinated in the manner to</p>
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	ensure their attendance to the relevant General Meetings, Board Committee Meetings and Board Meetings accordingly.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board's functions are governed and regulated by its Charter, the Company's Constitution, MMLRs and various other applicable legislations and regulations. The Board Charter was last updated on 26 August 2021. A copy of the latest Board Charter is available for download at "Others" section of the "News" tab of the corporate website at <a href="http://www.ksl.my">www.ksl.my</a>. Nevertheless, the Board is aware of the latest updates to the MCCG 2021 and in the midst of reviewing the relevant governance related policies and procedures, including the Board Charter, in order to incorporate the required changes in upholding the best corporate governance practices while ensuring that the Board Charter and other governance related policies and procedures remain consistent with the Board's objectives, current law and practices.</p> <p>The existing Board Charter outlines the key value of the Company, duties and responsibilities of directors (including roles and responsibilities of the Board, the Chairman of the Board, the Group Managing Director and the Senior Independent Director), the role and duties of the Board Committees (governed by terms of reference approved by the Board) and the roles of Company Secretary. Such Charter sets out the purpose, the Board's strategic intent, authorities and terms of reference. The Charter further defines the specific responsibilities and matters reserved for the Board, delegation of authorities, commitment by the directors, independent directors, tenure of independent directors, governance structure of Board and Board Committee, board proceedings, financial reporting responsibilities, unrestricted rights to access to information and independent advice, board evaluation and performance, board remuneration, directors' training and continuing education, general meetings and attendance, financial reporting and investor relations.</p> <p>The respective roles and responsibilities and matters reserved for the Board are stated in Paragraph 3 of the Board Charter.</p> <p>Salient features of the Board Charter:</p>

	<p>• <b>Matters reserved for the Board</b> - identifies matters for determination and/or approval by the Board, including but not limited to: -</p> <ol style="list-style-type: none"> <li>I. approval of new ventures;</li> <li>II. approval of corporate plans and programmes;</li> <li>III. approval of annual financial and capital expenditure budgets;</li> <li>IV. approval of annual and interim financial results of the Group and release therefrom;</li> <li>V. approval of interim dividend and the recommendation for final dividend;</li> <li>VI. approval of adoption of accounting policies;</li> <li>VII. review of the internal audit plans and major changes therefrom;</li> <li>VIII. review of external audit plans;</li> <li>IX. acceptance of audit reports including management letters;</li> <li>X. approval of material acquisitions and disposals of undertakings and properties;</li> <li>XI. approval of major investment in properties, plant and equipment;</li> <li>XII. approval of acquisition of lands for development;</li> <li>XIII. approval of changes in the major activities of the Group;</li> <li>XIV. approval of major borrowing or giving of security over assets;</li> <li>XV. approval of material agreements/contracts;</li> <li>XVI. approval of changes to the management and control structure within the Group, including key policies and procedures, limit of authority, etc;</li> <li>XVII. approval for major write-off and provision in excess of prescribed amount as may be determined from time to time;</li> <li>XVIII. approval for granting of power of attorney and legal representative by the Company and its subsidiaries;</li> <li>XIX. approval for entering into of any indemnities or guarantees by the Company and its subsidiaries;</li> <li>XX. review and recommend for the alteration of the Constitution of the Company;</li> <li>XXI. review and recommend for the proposed change of name;</li> <li>XXII. review and recommend for the proposed shares buy-back scheme and to implement shares buy-back scheme as approved by shareholders;</li> <li>XXIII. review and approve any other major/material business decision and to recommend the same to shareholders for approval, if applicable;</li> <li>XXIV. Any matters requiring the convening of a general meeting of shareholders or any class of shareholders; and</li> <li>XXV. Any matters as may be required by the applicable laws and regulations.</li> </ol> <p>• <b>Roles Profile</b> – defines and clearly separates the roles and responsibility of the Board, the Board Committees, the Chairman, the Group Managing Director and the Senior Independent Director.</p>
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	<ul style="list-style-type: none"> <li>• <b>Board Committees</b> - terms of reference of respective Board Committee established to be approved by the Board with Chairman of respective Board Committee to report to the Board on the outcome of the Committee meetings and minutes to be made available to the Board. The Board had established Audit Committee, Nominating Committee, Remuneration Committee and Risk Management Committee.</li> <li>• <b>Independent Director</b> – defines the annual independence assessment requirement on independent director and tenure of the independent director and approval requirements to remain as independent upon expiry of tenure.</li> <li>• <b>Authorities delegated to Management</b> – the Group Managing Director (including Executive Directors) is responsible for the observance of management authorities delegated by the Board.</li> <li>• <b>Directors Assessment/Board Evaluation</b> – sets out the requirement for the Board to assess the effectiveness of Individual Directors, the Board as a whole and its Committees on an annual basis, through Nominating Committee.</li> <li>• <b>Time commitments by Directors</b> – sets out the requirement for the Director to notify the Chairman of the Board before accepting any new directorship and indication of time that will be spent on the new appointment. The Chairman shall also notify the Board if he or she has any new significant commitments outside the Company.</li> <li>• <b>Access to information and Independent Advice</b> – Directors have unrestricted access to all information of the Company and the Company Secretary and may obtain independent professional advice at the cost of the Company.</li> <li>• <b>General Meetings and Attendance</b> - All Directors are required to attend the general meetings except there is a valid reason accepted by the Board, and notice for the AGM is to be given to shareholders at least 28 clear days prior to the meeting.</li> </ul> <p>The Board had identified and appointed Mr. Goh Tyau Soon as the Senior Independent Director from among its members whom the shareholders and other stakeholders can access fully and directly and concerns may be conveyed to. Mr. Goh who can be contacted via the email address at <a href="mailto:sid@ksl.my">sid@ksl.my</a>.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Code of Conduct ("The Code") of the Company has been updated and reviewed by the Audit Committee, as well as approved for adoption by the Board on 26 August 2021. The Code is made available at "Others" section of the "News" tab of the corporate website at <a href="http://www.ksl.my">www.ksl.my</a>.</p> <p>The Board established the Code to set the standards of the business ethics and conduct of the Group that is applicable to all the Group's employees, customers and vendors so as to ensure that working environment and condition are safe and healthy, workers are treated with respect and dignity, and business operation are conducted ethically.</p> <p>The fundamental in adopting the Code is to ensure that all business activities are in full compliance with the laws, rules and regulations of the country in which it is operating. If a law of the country conflicts with a rule or policy set out in the Code, affected personnel should comply with the law.</p> <p>The Code sets out the value uphold by the Company for each stakeholder groups.</p> <p>The principles of the Code include:</p> <ul style="list-style-type: none"><li>I. <b>Respecting Others</b> – unlawful discrimination; working hours; wages and benefits; humane treatment; communication; continuous development</li><li>II. <b>Serve Our Customers</b> – serving the customer with integrity; competency; punctuality and good time management, handling and safeguarding of customers assets</li><li>III. <b>Avoiding Conflict of Interest</b> – business Integrity; no improper advantage; disclosure of information; fair business, advertising and competition</li><li>IV. <b>Preserve Confidentiality and Privacy</b></li><li>V. <b>Safety and Health</b></li></ul>

	<p>The Code forms the cornerstone for the establishment of the integrity and ethical value expected from the employees which are incorporated in the Employees Handbook.</p> <p>To further enhance the ethical value throughout the Group, a formal Conflict of Interest Framework as well as a Related Party Transaction and Conflict of Interest Policy and Procedures had been established by the Board to effectively manage and mitigate conflict of interest situation as well as to manage related party transactions entered or to be entered in accordance with MMLRs and its reporting of related party transactions. A copy of the Conflict of Interest Framework and Related Party Transactions and Conflict of Interest Policy and Procedures is available for download at “Others” section of the “News” tab of the corporate website at <a href="http://www.ksl.my">www.ksl.my</a>.</p> <p>Furthermore, a formal Group Anti-Bribery and Anti-Corruption Policy had been put in place by the Board to prevent the risk of bribery and conflict of interest within the Group with Whistle-Blowing Policy implemented for all stakeholders to raise genuine concerns about possible improprieties in matters of financial reporting, compliance and other malpractices at the earliest opportunity. The Group Anti-Bribery and Anti-Corruption Policy is accessible at “Others” section of the “News” tab of the corporate website at <a href="http://www.ksl.my">www.ksl.my</a>.</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board encourages employees and other interested parties to disclose concerns about illegal, unethical or improper business conduct within the Company. The Whistle-Blowing Policy provides and facilitates a mechanism for any employee and other stakeholders to report any concern about possible improprieties in matters of financial reporting, compliance and other malpractices, in confidence, at the earliest opportunity, and in an appropriate manner. The identity of the whistle-blower will be kept confidential and such whistle-blower will also be protected against reprisal for disclosing any improper conduct committed or to be committed.</p> <p>The Whistle-Blowing Policy is administered by the Audit Committee and Senior Independent Director. The email address of the Audit Committee Chairman (<a href="mailto:ac@ksl.my">ac@ksl.my</a>) and Senior Independent Director (<a href="mailto:sid@ksl.my">sid@ksl.my</a>) are available in the policy for reporting of any malpractice or improper conduct of the Group's businesses. During the financial year, Audit Committee did not receive any complaint or any whistleblowing case.</p> <p>The latest applicable Whistle-Blowing Policy was reviewed by Audit Committee and approved by the Board on 26 August 2021. It is subjected to review by the Audit Committee and the Board from time to time. The Whistle-Blowing Policy is posted under the "Others" section of the "News" tab of the corporate website at <a href="http://www.ksl.my">www.ksl.my</a> for ease of access for reporting by employees and other stakeholders of the Group.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>One of the key responsibilities of the Board of the Company as stated in the Board Charter is to establish sustainability policy and to review the management of material sustainability matters on frequent interval in order to promote good sustainability practice throughout the Group. Besides, the Board is also responsible to set the corporate values, objectives, goals and strategic plan as well as to deliberate, approve and monitor the progress of the Company's strategy, budgets, plans and policies.</p> <p>The sustainability management of the Group is governed by the Sustainability Policy established by the Board. The principles of each core components of sustainability, i.e. economic, environment and social, are specified clearly to act the foundation of sustainability management of the Group.</p> <p>Formal governance structure of the sustainability management of the Group is established within the Sustainability Policy whereby the roles and responsibilities of the Board of the Company, the Audit Committee (as the governance oversight function), the Risk and Sustainability Management Committee, the Heads of Department/ Division and the assurance unit are specified.</p> <p>In particular, the Board of the Company assume the ultimate responsibilities for sustainability management within the Group, including developing and approving sustainability strategy and ensuring all business strategies and major business operations embedded with sustainability considerations. Meanwhile, the Audit Committee is delegated with the task off overseeing the sustainability management, which includes but not limited to the following, all of which the review results and recommendations shall be reported to the Board for decision:-</p>

	<ul style="list-style-type: none"> <li>(i) To oversee the implementation by the Risk and Sustainability Management Committee of sustainability strategy approved by the Board;</li> <li>(ii) To review the process and results of sustainability matters identification, assessment and management conducted by the Risk and Sustainability Management Committee;</li> <li>(iii) To conduct periodic review of the material sustainability matters of the Group (at least on an annual basis) and determine the adequacy of the response and the current standing of the material sustainability matters;</li> <li>(iv) To review the need to conduct full sustainability review by the Risk and Sustainability Management Committee;</li> <li>(v) To conduct periodical review of the adequacy and effectiveness of the Group's sustainability governance structure and process to identify, assess and manage sustainability matters; and</li> <li>(vi) To oversee the overall management of stakeholder engagement.</li> </ul> <p>On the other hand, the Risk and Sustainability Management Committee is delegated by the Board, assisted by Heads of Department/Division with the task of implementing the sustainability strategy and Sustainability Policy, whereby the key responsibilities of RSMC includes but not limited to the following:-</p> <ul style="list-style-type: none"> <li>(i) To lead and implement the process of sustainability matters identification, assessment and management and devising appropriate action plan in cases where sustainability issues are not adequately or effectively addressed and communicate proposed action plans to the Heads of Department/Division;</li> <li>(ii) To conduct periodic review of all sustainability matters of the Group and determine the adequacy of the response and the current standing of the sustainability matters and to report the review results (including material sustainability matters) and recommendations to the Audit Committee;</li> <li>(iii) To manage stakeholder engagement for input for assessment and communication of results of review and response; and</li> <li>(iv) To update the Audit Committee on changes to the material sustainability matters on periodical basis or when appropriate (due to change in external environment or internally) and the course of action to be taken by management in managing the changes</li> </ul> <p>The Sustainability Policy specifies the sustainability matters assessment and prioritisation process (including seeking the feedbacks from stakeholders via stakeholders engagement methods established), criteria used in such assessment, review standings and formulation of responses. The results and responses of the sustainability assessment are fed into the risk management process of the Group for its continuous monitoring per Group Risk Management Policy established.</p>
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	<p>The Risk and Sustainability Management Committee is required to present to the Audit Committee and the Board for its review of the sustainability management and stakeholders engagement activities performed, the material sustainability matters identified, sustainability strategies and targets established and actual performance of selected sustainability matters.</p> <p>Please refer to the Sustainability Statement published together with the Annual Report of the Company for the financial year under review for the sustainability management activities, performances and responses formulated.</p>	
<p><b>Explanation for departure</b></p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Pursuant to Sustainability Policy, communication with interested stakeholders achieved through various means, including:</p> <ul style="list-style-type: none"><li>• establishing communication channels available at all times for stakeholders to provide feedback including complaints (including the contact number and email address provided in the Company's website);</li><li>• conducting engagement forum/ townhall sessions;</li><li>• meeting and interview with institutional investor, analyst, media and other stakeholders when necessary;</li><li>• press release; and</li><li>• Sustainability Statement published in the Annual Report.</li></ul> <p>In particular, Sustainability Statement published in the Annual Report for the financial year under review was prepared pursuant to paragraph 29 of Part A of Chapter 9 - Appendix 9C and Part III of Practice Note 9 of MMLR and guided by Sustainability Reporting Guide issued by Bursa Securities Malaysia Berhad and Global Reporting Initiatives (Core Option).</p> <p>The contents of the Sustainability Statement published include the scope of the report, sustainability principles employed, governance structure with summary of responsibilities, sustainability assessment process employed, stakeholders engagement activities, sustainability management activities and sustainability matters identified (including material sustainability matters), corresponding risk register material sustainability matters identified for monitoring, responses implemented or to be implemented for material sustainability matters and other sustainability matters, target established and actual performances of material sustainability matters and other sustainability matters.</p> <p>Please refer to the Sustainability Statement published in the Annual Report of the Company for the financial year under review with regard to the sustainability management activities, sustainability matters identified, responses formulated and actual performances.</p>
<b>Explanation for departure</b>	:	

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

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>One of the responsibilities of the Board is to evaluate the sustainability risks regularly, including taking into consideration the changes in the external business environment or affect the interests of the stakeholders. On the other hand, the RSMC led by the Executive Chairman is tasked to conduct periodic review of all sustainability matters affecting the Group and the adequacy of the response(s) implemented and formulated with update to the Audit Committee on scheduled interval or as and when required due to change in internal or external environment. Meanwhile, Heads of Department/Division of the Group are assigned with the duty to continuously monitor the sustainability matters under his/her responsibilities with escalation to RSMC for decision should the existing controls evaluated are deemed ineffective, inadequate or non-existent.</p> <p>Hence, with such monitoring mechanism as part of the required responsibilities of the Risk and Sustainability Management Committee and the Heads of Department/Division, the Audit Committee and the Board are kept informed by the Risk and Sustainability Management Committee of the sustainability risks faced by the Group and relevant response(s) and monitoring mechanism put in place such that sustainability risks are minimised and opportunities optimised for long term sustainability of the Group.</p> <p>The members of the Board are made up of senior executives and professionals in the fields of business management, legal, company secretarial, auditing, accountancy, taxation, liquidation and management consultancy as well as possess the required skill, knowledge and experience for sustainability management which they gain through their past working or professional experiences. With such backgrounds, the members of the Board are able to contribute to the timely identification of changes in sustainability risks or emergence of new sustainability risks, to ensure adequate response(s) formulated to address such risks and to continuously improve the maturity of the sustainability management within the Group.</p> <p>Nevertheless, in order to strengthen the Board's sustainability oversight responsibility, the Nomination Committee is reviewing the consideration to incorporate into the performance evaluation of the Board and Senior Management a measure of whether the Board has the</p>

	required capacity and competency on sustainability management as well as whether the Board as a whole possess the right mixed of skill, knowledge and size to proactively oversee the sustainability management and stakeholders management.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>Despite no formalised performance evaluations of the Board and Senior Management conducted in relation to sustainability management, it is the duties and responsibilities of the Board of the Company to evaluate the sustainability risks regularly, including taking into consideration the changes in the external business environment or affects the interests of the stakeholders. Besides, the Risk and Sustainability Management Committee is required to conduct periodic review of all sustainability matters affecting the Group and the adequacy of the response(s) implemented and formulated with update to the Audit Committee on scheduled interval or as and when required due to change in internal or external environment. Meanwhile, Heads of Department/Division of the Group are assigned with the duty to continuously monitor the sustainability matters under his/her responsibilities with escalation to the Risk and Sustainability Management Committee for decision should the existing controls evaluated are deemed ineffective, inadequate or non-existent.</p> <p>Therefore, any updates to the company's material sustainability and opportunities will be timely reported by the Risk and Sustainability Management Committee to the Audit Committee and the Board to enable them to evaluate the existing and any other potential relevant sustainability risks and make informed decisions.</p>	
		As above.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

**Intended Outcome**

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

**Practice 4.5- Step Up**

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

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

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination Committee is responsible to review and consider the appointment and re-appointment of the members of the Board of the Company and its subsidiaries based on the Policy and Procedure on Nomination and Selection of Director and to recommend to the Board for consideration and decision per the Board Charter and the Terms of Reference of Nomination Committee. The Nomination Committee also assesses the performance of the Directors of the Company and its subsidiaries on an on-going basis as well as overseeing the succession planning and talent management for the Board and Senior Management of the Group.</p> <p>On March 2021, Nomination Committee had reviewed the board composition as well as assessed and deliberated the effectiveness of the Board as a whole, Board Committees and the contribution of each individual Director. Based on the results of the assessments, Nomination Committee was satisfied with the composition of the Board and Board Committees, the boardroom diversity as well as the mixed of skills and experiences of the members of the Board and other qualities the Board requires in order to function independently and efficiently.</p> <p>Pursuant to Chapter 7.26 of the MMLR, Paragraph 120 of the <b>Constitution</b> of Ornapaper and Paragraph 4.2 (h) of the <b>Board Charter</b>, at least one-third (1/3) of the Directors or the number nearest to one-third (1/3), shall retire from office by rotation at each AGM and at least once every three (3) years, but shall be eligible for re-election.</p> <p>In March 2021, the Nomination Committee had reviewed the performance of Directors to be retired by rotation at the Twenty-First Annual General Meeting ("21<sup>st</sup> AGM"). Based on the outcome of the Nomination Committee's review with recommendation made to the Board, and upon deliberation by the Board, the Board resolved to approve the proposed re-election of Mr. Khoo Cheng Hai @ Ku Cheng Hai and Mr. Ku Tien Sek at the 21<sup>st</sup> AGM.</p> <p>During the same meeting, Nomination Committee also reviewed and assessed the independence of the Independent Non-Executive Directors through fulfilment of the criteria under the definition of Independent Director as per MMLRs of Bursa Malaysia Securities</p>

	<p>Berhad. From the independent assessment performed and independence declaration obtained from all Independent Non-Executive Directors, Nomination Committee was satisfied with the performance and contributions of Mr. Gow Kow, Mr. Goh Tyau Soon and Mr. Tey Ping Cheng in discharging their duties as the Independent Non-Executive Directors of the Company and believed that they would continue to contribute independent and objective judgement during the Board and Board Committees meetings and deliberations despite they have been serving the Board as Independent Non-Executive Directors for a cumulative term of more than 12 years respectively.</p> <p>Upon due deliberation, the Board approved the proposed retention of Mr. Gow Kow, Mr. Goh Tyau Soon and Mr. Tey Ping Cheng via seeking for shareholders' approval through two-tier voting process at the 21<sup>st</sup> AGM which was held on 27 May 2021. The updated two-tier voting process as per Practice 5.3 of MCGG 2021 will be applicable for resolutions tabled at the AGM held after 1 January 2022 and therefore will be complied by the Company at the forthcoming 22<sup>nd</sup> AGM.</p> <p>Besides, in March 2022, as part of the annual board evaluation, Nomination Committee reviewed and assessed the tenure of the individual members of the Board including the assessment of the individual directors' contributions to the proper governance of the Board and the required skill, knowledge and competency via the Director's Performance Appraisal and Assessment form, Board Skills Set Review form and Performance Evaluation for Board and Board Members form. Based on the above evaluations, the Nomination Committee and the Board were satisfied that the current board composition and the tenure of each Director were able to fulfil the current and future needs of the Group for long term business sustainability and that the re-appointment of the Directors in the forthcoming 22<sup>nd</sup> AGM are supported by the satisfactory performance and contribution of such Directors to the proper governance and oversight responsibilities of the Board.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

## 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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board currently comprises four (4) Executive Directors and three (3) Independent Non-Executive Directors (i.e. 3/7) which satisfy the minimum prescribed requirement in the MMLR 15.02(1) which states that “a listed issuer must ensure that at least 2 directors or 1/3 of the board of directors of a listed issuer, whichever is the higher, are independent directors”.</p> <p>The Board consists of qualified individuals with diverse experience, background and knowledge to enable them to discharge their duties and responsibilities effectively. The Independent Directors are made up of individuals well-verse in the field of accounting, auditing, finance, taxation and legal. The Independent Directors are subjected to self-declaration of interests and independent and objectivity assessment annually while the Audit Committee, made up of exclusively of independent directors, and individual members of Audit Committee were subjected to assessment by the Nominating Committee on annual basis to ensure that their independence and objectivity were not diminished over times.</p> <p>The Independent Directors had demonstrated their independence and objectivity during the Board and Board committees’ proceedings whereby their genuine concerns were expressed during the meetings, and actions/transactions proposed or taken by the Management and the Executive Directors were subject to the scrutiny by the independent directors and challenged to assert their roles as independent element within the Board. In order to strengthen the independence elements within the Board, Mr. Goh Tyau Soon, acting as the Senior Independent Director is identified to whom the Directors (especially the Independent Director), shareholders and other stakeholders can be approached directly and concerns may be conveyed.</p> <p>Based on the Board and Board Committees effectiveness evaluation conducted during the financial year ended 31 December 2021 by the Nomination Committee led by Senior Independent Director, the Nomination Committee was of the opinion that the Board and its Committees have the right mix of expertise, experience and skills and are able to discharge their responsibilities and duties well and</p>

	<p>efficiently. In particular, the Board concluded that the potential areas of conflict that may impair the independence of the independent directors had been resolved (if any) and the independent directors had asserted their independence and objectivity in the deliberations of the matters brought to the Board.</p> <p>With the above, despite the departure from Practice 5.2, the Board strongly believes that the independent elements within the Board is uphold and the independence and objectivity are asserted during the deliberation and decision making at the Board and the Board Committees' meeting.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	<p>The Board will continue to review the adequacy and effectiveness of the independent and objectivity element within the Board from time to time to ensure that its adequacy and effectiveness, including but not limited to, annual independence assessment of independent directors and assessments on Audit Committee and its members. The Board is considering establishing a timeline to fulfill the requirement of at least half of the Board is independent directors, in the context of the needs of the Group.</p>
<p><b>Timeframe</b></p>	<p>:</p>	<p>Within 3 years</p>

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As at the date of this Report, all Independent Directors (i.e. Mr. Gow Kow, Mr. Goh Tyau Soon and Mr. Tey Ping Cheng) had served the Board of the Company for a tenure of more than nine (9) years. To remain as an Independent Non-Executive Director, Mr. Gow Kow, Mr. Goh Tyau Soon and Mr. Tey Ping Cheng will be subjected to two-tier voting during forthcoming 22<sup>nd</sup> AGM to be held in May 2022.</p> <p>During the year, based on the Independent Directors' self-assessment and self-declaration of interests in Group, any corporation, partnership, business transactions and/or services with the Group submitted to the Nomination Committee for review and recommendation to the Board for subsequent review and deliberation, the Board concluded that all Independent Directors meet the requirements of "Independent Director" as defined under paragraph 1.01 of MMLRs and remain objective and independent in participating in the deliberations and decision making of the Board and Board Committees they are in. The length of their services does not impair their ability and exercise of independent judgement as Independent Director and they have devoted sufficient time and attention to their professional obligations as well as have carried out their professional duties always in the best interest to the Company and the shareholders. Furthermore, the Board is of the opinion that the Group benefits from these long serving Independent Directors who possess detailed knowledge of the Group's business and have proven commitment, experience, competence and wisdom to effectively advise and oversee the management and using their knowledge to participate actively in all deliberations of all issues by asking pertinent questions (including criticism or disagreement to management or professional advisers) and actively pursue unresolved matters till obtained favourable responses or it is resolved.</p> <p>Based on the above justification, the Board recommends and supports the continuity of the office of all Independent Directors (i.e. Mr. Gow Kow, Mr. Goh Tyau Soon and Mr. Tey Ping Cheng) as Independent Directors of the Company in the forthcoming 22<sup>nd</sup> AGM to be held in May 2022.</p>

	<p>On the other hand, based on the latest Board Charter which is available for download at “Others” section of the “News” tab of the corporate website at <a href="http://www.ksl.my">www.ksl.my</a>, it is stated that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may either retire or continue to serve on the Board subject to the Director’s re-designation as a Non-Independent Director. In the event such Director is to remain as Independent Director for a cumulative term of more than 9 years, the Board must satisfy itself with strong justification through rigorous review that the independency and objectivity of such Independent Director is not compromised by the passage of time and familiarity with the Executive Directors and Senior Management and must obtain annual shareholders' approval. In line with the promoted practice under MCGG, shall the Board is to retain an independent director after the twelfth (12th) year, such director shall be subjected to annual shareholders’ approval through a two-tier voting process, whereby the decision for the resolution is determined based on a simple majority of Tier 1 and a simple majority of Tier 2. Such process is included in the Company’s Constitution. The policy on the tenure of Independent Directors is stated in Paragraph 1.2 of the Board Charter. A copy of the latest Board Charter is available for download at “Others” section of the “News” tab of the corporate website at <a href="http://www.ksl.my">www.ksl.my</a>.</p> <p>Nevertheless, the Board is aware of the latest updates to the MCGG 2021 and in the midst of reviewing the relevant governance related policies and procedures, including the Board Charter, in order to incorporate the required changes in upholding the best corporate governance practices while ensuring that the Board Charter and other governance related policies and procedures remain consistent with the Board’s objectives, current law and practices.</p>	
<b>Explanation for departure</b>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>		
<b>Timeframe</b>		

**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.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Appointment of new Director to the Board or Board Committee is recommended to the Nomination Committee for consideration and approved by the Board in accordance with the Policy and Procedure on Nomination and Selection of Director and the Board Charter which is last updated on 26 August 2021.</p> <p>As part of the nomination and selection process, the Nomination Committee reviews the recommendations and appointments of Directors with due regard to the suitability of the candidates for the Board in lights of the skillset and knowledge requirements and boardroom diversity in the context of the Group. In particular, the Nomination Committee ensures that the candidates possess the following criteria: -</p> <ol style="list-style-type: none"><li>I. qualifications;</li><li>II. skills and competence;</li><li>III. functional knowledge;</li><li>IV. experience;</li><li>V. background and character;</li><li>VI. integrity and professionalism; and</li><li>VII. time commitment.</li></ol> <p>The nomination/recruitment of new director process practiced by the Nomination Committee is as follows:</p> <ol style="list-style-type: none"><li>VIII. Identification of candidates by developing a pool of potential candidates for consideration;</li><li>IX. Evaluation on the suitability of candidates;</li><li>X. Interview shortlisted candidates and background check;</li><li>XI. Final deliberation by Nomination Committee; and</li><li>XII. Recommendation to the Board.</li></ol> <p>As per Board Charter, the candidates for the new directorship are to be sourced from major shareholders, existing Board members, Management and also external sources, such as, recommendations from external auditors and other professional service providers as well as through open search.</p>

	<p>There was no new appointment to the Board during the year under review.</p> <p>As for re-appointment of Director, the following processes are practiced by the Nomination Committee before recommendation to the Board for consideration and seek of approval from shareholders subsequently:</p> <ol style="list-style-type: none"> <li>I. Performance assessment/ evaluation in terms of the mix of skills, experience and other qualities (i.e. integrity, professionalism, availability, business and industry knowledge, meeting attendance and preparation, Board participation, business planning contribution, team work, public relations and relationship with Board members) the Board requires for it to function independently and efficiently;</li> <li>II. Independence assessment for Independent Directors (through fulfilment of criteria under the definition of Independent Directors as per MMLRs of Bursa Malaysia Securities Berhad;</li> <li>III. Final deliberation by Nomination Committee; and</li> <li>IV. Recommendation to the Board.</li> </ol> <p>The recommendation of re-appointment of Director (including Independent Directors seeking continuation in office as Independent Director by way of two-tier voting) during forthcoming 22<sup>nd</sup> AGM was subjected to the above re-appointment process performed by the Nomination Committee before recommendation to the Board for its consideration and decision before recommendation to the shareholders, and Director seeking for re-appointment had abstained himself/herself from the review, assessment, discussion and decision in relation to his re-appointment during such meetings. Such Directors subject to re-appointment were only recommended to the Board for review and final decision on the recommendation to the shareholder based upon satisfactory results of performance evaluation and independence assessment (for Independent Directors) of such Directors by the Nomination Committee.</p> <p>The Terms of Reference of Nomination Committee and the Board Charter are available at "Others" section of the "News" tab of the corporate website at <a href="http://www.ksl.my">www.ksl.my</a>.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Based on paragraph 1.3 of the Board Charter updated and approved by the Board on 26 August 2021, the Board endeavours to not solely rely on recommendations from existing Board members, Management or major shareholders for the nomination of new director but to expand the source to include recommendation by other professionals and open search. A copy of the latest Board Charter is available for download at "Others" section of the "News" tab of the corporate website at <a href="http://www.ksl.my">www.ksl.my</a>.</p> <p>On the appointment of the new director, such new director is required to commit sufficient time to the Board in order to discharge his/her duty and responsibility with reasonable due care, skills and diligence. Members of the Board is expected to devote sufficient time and effort to discharge their individual responsibilities with reasonable due care, skills and diligence, as well as to possess the required character, experience and relevant knowledge, integrity, professionalism, competence and contribution to the growth of the Group and its business operations.</p> <p>The Board uses a variety of sources for the identification of most suitable candidates. The Nomination Committee reviews the composition, skill sets, independence and Board requirements every year as part of the Board assessment. The Board may rely on recommendations from the existing Board members and other sources to meet the skill sets and requirements of the Board. The Board is open to utilising independent sources as well. Nevertheless, the Board will review all recommendations within the criteria set out in MMLRs by Bursa Malaysia Securities Berhad before shortlist the selected candidate. The Board will use a myriad of resources to source for candidates based on recommendations and independent sources, such as, external auditors and other professionals.</p> <p>The existing members of the Board of the Company were recommended by the Board members and existing shareholder(s) of the Company before the requirement to include independent sources</p>

	for the identification of candidates for directorship in the Company put in place by MCCG.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Directors' Profile section of the Annual Report discloses the Directors' name, age, nationality, gender, qualification, working experience, directorship in other companies, 5 years history of conviction for offences and any conflict of interest as well as their shareholding in the Company.</p> <p>The recommendation of re-appointment of Director (including Independent Directors seeking continuation in office as independent director by way of two-tier voting) during forthcoming 22<sup>nd</sup> AGM was subjected to the re-appointment process per the Policy and Procedure on Nomination and Selection of Director performed by the Nomination Committee and as per stated in the Board Charter before recommendation from the Nomination Committee to the Board for its consideration and decision before recommendation to the shareholders, and Director seeking for re-appointment had abstained himself from the review, assessment, discussion and decision in relation to his re-appointment during such meetings. Such re-appointment was only recommended to the Board for review and final decision on the recommendation to the shareholders based upon satisfactory results of fit and proper and conflict of interest check, independence assessment (for Independent Directors) and performance evaluation of such Directors by the Nomination Committee.</p> <p>Based on the above process and satisfactory results of fit and proper and conflict of interest check, independence assessment (for Independent Directors) and performance evaluation of the Directors seek for re-appointment in forthcoming 22<sup>nd</sup> AGM, the Board is of the view that all Directors seek for re-appointment in the forthcoming AGM are fit and proper with no interest that is conflict with the interests of the Group or with such interest mitigated to the satisfaction of the Board, able to commit sufficient time to discharge his duties and responsibilities as a Director of the Company, able to contribute positively to the business success and long-term sustainability of the Group as well as the independence of the Independent Directors is not</p>

	<p>impaired through passage of time and long relationship with the Company and the Executive Directors.</p> <p>In order to facilitate the informed decision by the shareholders in relation to the re-appointment of Directors in forthcoming AGM, a disclosure of the details of interest, position or relationship of such directors individually that might influence, or reasonably be perceived to influence, in a material respect in relation to the independent judgement to be brought to the Board and to act in the best interests of the Group and that the Board recommends to the shareholders to re-appoint such Directors based on the satisfactory results of fit and proper and conflict of interest check, independence assessment (for Independent Directors) and performance evaluation of such Directors performed.</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination Committee Chairman, Mr. Goh Tyau Soon, is an Independent Non-Executive Director, who is also the Senior Independent Director.</p> <p>The Nomination Committee shall:</p> <ol style="list-style-type: none"> <li>a) Be appointed by the Board from among the members of the Board,</li> <li>b) Consist not less than three (3) members,</li> <li>c) Consist exclusively of Non-Executive Directors with majority being Independent Non-Executive Directors, and</li> <li>d) Elect either an Independent Director or Senior Independent Director identified by the Board as the Chairman of the Nomination Committee.</li> </ol> <p>In particular, as stated in the Board Charter of the Company, the Senior Independent Director is:</p> <ol style="list-style-type: none"> <li>i. sounding board for Chairman (e.g. offer counsel to the chairman on matters such as board dynamics and concerns of stakeholders);</li> <li>ii. leads the annual review of the Chairman and board effectiveness, ensuring that the performance of each individual director is assessed objectively and holistically;</li> <li>iii. leads the succession planning and appointment of Board members, including the future Chairman and Chief Executive Officer;</li> <li>iv. provides leadership support and advice to the Board in the event that the board is undergoing a period of stress;</li> <li>v. serves as an intermediary for other directors when necessary;</li> <li>vi. to handle for complaints relating to directors and other Senior Management;</li> <li>vii. a conduit for other independent directors to voice their concerns; and</li> <li>viii. acts as point of contact for shareholders and other stakeholders particularly on concerns which cannot be resolved through the normal channels of the Chairman and/or Chief Executive Officer;</li> <li>ix. acts as an independent channel for whistle blowers to direct reports/complaints, as identified in the Company's Whistle-Blowing Policy; and</li> </ol>

	<p>x. ensuring the effective implementation of the Company's Whistle-Blowing Policy.</p> <p>The Board Charter and Terms of Reference of Nomination Committee are available at "Others" section of the "News" tab of the corporate website at <a href="http://www.ksl.my">www.ksl.my</a>.</p> <p>The Chairman of the Nomination Committee reported to the Board on the outcome of the committee meeting.</p> <p>During the financial year ended 31 December 2021, the Nomination Committee, led by Chairman, conducted review on the performance of the Board, Board Committees, Audit Committee (including members), individual Directors, and the independence of Independent Directors and reported to the Board on the results of the review for the Board's consideration. Besides, the performance evaluation of the Chairman of the Board was performed by the Nomination Committee in February 2022. The details of the assessment are further disclosed in Practice 6.1 of this Corporate Governance Report.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>Despite the non-compliance of 30% women representation on the Board of the Company, the Board is satisfied that, through annual performance assessment of the Board, the Board Committees and individual directors by the Nomination Committee, the current board composition possesses mix of knowledge, skills and experience required to discharge the Board’s duties and responsibilities effectively.</p> <p>Presently, there are two (2) female directors at subsidiaries of the Group which in line with the support of the Board on gender diversity at the Senior Management level within the Group but not the female representative at the Board level.</p> <p>The Board endeavours to appoint woman director at the Board of the Company who is of suitable, competent and capable candidate with due regard for diversity in skills, experience, age, and cultural background.</p>
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The Board is supportive to have at least 30% female representative on Board as and when such potential candidate and position is available.
<b>Timeframe</b>	:	Choose an item.

**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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board do not have a policy on gender diversity for the time being. However, the Board endeavours to appoint woman director at the Board of the Company who is of suitable, competent and capable candidate with due regard for diversity in skills, experience, age, and cultural background.</p> <p>Presently, there are two (2) female directors at subsidiaries of the Group which in compliance with its practices on gender diversity at the Senior Management level within the Group but not the female representative at the Board level.</p> <p>As at the date of this report, the Board is satisfied that, through annual performance assessment of the Board, the Board Committees and individual directors by the Nomination Committee, the current board composition possesses mix of knowledge, skills and experience required to discharge the Board's duties and responsibilities effectively.</p>
		As above.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The Board to consider establish policy on gender diversity to have female representative at the Board level, the target timeline and specific measures to achieve that.
<b>Timeframe</b>	:	Choose an item.

### 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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>In line with the Board Charter of the Company and Terms of Reference of Nomination Committee, a detailed assessment is undertaken annually to review the effectiveness of the Board, Board Committee, the Audit Committee, the contribution of each individual Director and independence assessment of independent directors and facilitated by the Company Secretary. The forms and criteria are reviewed in detailed by the Nomination Committee and approved by the Board. The objective of the assessment is to track the Directors' discharge of their roles and responsibilities, areas for improvement, areas that need more attention, and to overall assess the effectiveness of the Board, Committee and Directors. The Chairman of the Nomination Committee oversees this process and results are reported the Board. The usual process for the annual evaluation ("Assessment") commenced at the fourth quarter of each year. The Nomination Committee reviewed the results and reported the outcome of the Assessment to the Board.</p> <p>The following evaluations and assessments were carried out by the Nomination Committee during the financial year under review: -</p> <p>The Board and Board Committees' performance evaluation was conducted via Performance Evaluation for Board and Board Members Form with criteria includes Board structure, Board operations, Board's roles and responsibilities, Board Chairman's role and responsibilities as well as Board Committees' composition, contribution to the Board's decision making, expertise, appointment as well as timeliness and quality of communication and minutes.</p> <p>In addition, review of the character, experience, integrity, competence and time commitment per Paragraph 2.20A of MMLRs was performed through Individual Directors and Chief Financial Officer Performance Appraisal Form, whereby the integrity, professionalism, business knowledge, industry knowledge, meeting attendance, meeting</p>

preparation, board participation, business planning contribution, relationship with board members, public relation and teamwork are assessed.

As an important independent element within the Board, individual Independent Non-Executive Directors performed self-assessment of his independence via Independent Directors' Self-Assessment Checklist with criteria adopted from Corporate Governance Guide issued by Bursa Malaysia Securities Berhad concentrating on independency and objectivity criteria. In addition, the Independent Non-Executive Directors were required to declare his interests in KSL (including its related companies), any corporation, partnership, business transactions and/or services with the Group, employment history, identity of person connected to him, nominee/representative and other considerations that may affect the independency as an Independent Director via Declaration of Interest Form. The results of above self-assessment of Independent Director and declaration of interests by Independent Directors were submitted to the Nomination Committee for review and reporting to the Board.

Apart from that, the Audit Committee and its members were subjected to assessments via Audit Committee Evaluation Questionnaire (for criteria, such as, quality and composition, skills and competencies, meeting administration and conduct) and Audit Committee Members Evaluation Form (for criteria, such as, trustworthiness, dynamic participation, integrity, capability, experience, ongoing education, analytic skills, understanding of financial risks, compliance process, statutory reporting requirements and significant accounting policies and accounting estimates) with criteria adopted from Corporate Governance Guide issued by Bursa Malaysia Securities Berhad to ensure Audit Committee and its members have carried out their duties in accordance with their terms of reference pursuant to Paragraph 15.20 of the MMLRs. Please refer to Practice 8.5 of this CG Report for the details.

The Company Secretary had circulated to each Director the relevant evaluations and assessments forms/checklists in relation to the aforementioned evaluations and assessments to each Director during the financial year under review. Each Director is given sufficient time to complete in advance the evaluations and assessments forms/checklists before the meeting of the Nomination Committee and the Board in order for the Company Secretary to collate the evaluations and assessments/ review results for the Nominating Committee to review and report to the Board.

With the above evaluations/review processes, the Board, through the Nomination Committee, reviewed and assessed its required mix of skills, experiences and other qualities, including core competencies which Directors should bring to the Board, and the size and composition of the Board to ensure that it has the appropriate mix of skills and competencies to lead the Group effectively.

	<p>The above assessments and evaluations were conducted by the Nomination Committee during the financial year under review without engaging the services of independent third party.</p> <p>Based on the above assessments, the Board was satisfied with the existing board composition and was of the opinion that all Directors and Board Committees of the Company had discharged their responsibilities in a commendable manner and had performed competently and effectively. Other than that, the Board was of the opinion that its present size and composition is optimal based on the Group's operations and that it reflects a fair mix of financial, technical and business experiences that are important to the stewardship of the Group.</p> <p>In addition, based on the above assessments performed on Audit Committee and its members, the Board was of the opinion that the Audit Committee and its members had carried out their duties in accordance with their terms of reference in accordance with the MMLRs.</p>	
<p><b>Explanation for departure</b></p>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	:	
<p><b>Timeframe</b></p>	:	

### 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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>Based on the Terms of Reference of the Remuneration Committee approved by the Board, the Remuneration Committee is tasked to recommend to the Board the remuneration package of the Executive Directors, among others.</p> <p>There is no formalised Directors and Senior Management Remuneration Framework established by the Board and published on the corporate website of the Company.</p> <p>It is the practice of the Board that the Executive Directors' remuneration is determined by their performance, service, seniority, experience and scope of responsibilities and shall not include commission on or percentage of sales. On the other hand, Non-Executive Directors shall be rewarded by director's fee based on his knowledge, skills, competency, responsibilities assigned to such director, and his contributions to the Board and the Board Committees and shall not be paid in linear relationship solely based on financial performance of the Group. Interested Directors shall abstain from deliberation and approval of his own compensation during the motion to deliberate and approval of his compensation by the Board.</p> <p>Remuneration for Senior Management is also subject to their performance and experience.</p> <p>In order to ensure Executive Directors and Senior Management are rewarded based on their performance, it is the requirement under the Terms of Reference of Remuneration Committee that it is to meet with Nomination Committee on the performance of Directors and Senior</p>

	<p>Management with a view of integrating the information in recommending to the Board the proposed remuneration of Directors and Senior Management.</p> <p>Please refer to “Others” section of the “News” tab of the corporate website at <a href="http://www.ksl.my">www.ksl.my</a> for the Terms of Reference of Remuneration Committee.</p> <p>The Remuneration Committee held a meeting during the financial year ended 31 December 2021 to review the proposed director fees for Non-Executive Directors and proposed remuneration package of Executive Directors and with such recommended director fees and remuneration packages being submitted to the Board for approval and/or recommendation to shareholders for approval, as applicable.</p>
	As above.
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>: The Board to establish formal Directors’ and Senior Management Remuneration Framework outlines the guiding principles for the remuneration components of the Executive Directors, Non-Executive Directors and Senior Management, to be in line with the risk strategy and corporate values of the Company.</p>
<p><b>Timeframe</b></p>	<p>: Choose an item.</p>

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Remuneration Committee was formed to assist the Board in determining, developing and recommending an appropriate remuneration policy and remuneration package for Directors to attract, retain and motivate the Directors. The Remuneration Committee reviews the proposed remuneration package and proposed fees of the Directors (as applicable) annually.</p> <p>As at financial year ended 31 December 2021, the Remuneration Committee comprised of three (3) Independent Non-Executive Directors, which is in compliance with the requirement of MCGG whereby such committee should only consist of Non-Executive Directors and a majority of them must be Independent Directors. Such composition requirement had been updated in the Terms of Reference of Remuneration Committee and approved by the Board.</p> <p>The Remuneration Committee is governed under clearly defined terms of reference which states the duties and authorities of the committee. The Terms of Reference of Remuneration Committee are published on "Others" section of the "News" tab of the corporate website at <a href="http://www.ksl.my">www.ksl.my</a>.</p> <p>It is the ultimate responsibility of the entire Board to approve the remunerations of the Executive Directors based on the review and recommendation from the Remuneration Committee. The Executive Director concerned would be abstained from discussion and decision on his own remuneration. The Board as a whole determines the remuneration package of the Non-Executive Directors based on their experience and level of responsibilities undertaken. All Non-Executive Directors are paid a fixed fee which is subject to the approval of shareholders at AGM before payment.</p>

	Interested Directors shall abstain from deliberation and approval of his/her own compensation during the motion to deliberate and approval of his/her remunerations by the Board. In addition, Director who are shareholder and controlling shareholder with a nominee or connected Director on the Board will be abstained from voting at general meetings to approve the remunerations to be paid to such interested Director.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Board is supportive of transparent and detailed disclosure on named basis for the remuneration of individual directors. Major remuneration component of the Directors includes Directors' salary, fee, bonus, allowance and other emoluments.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	KHOO CHENG HAI@KU CHEMG HAI	Executive Director	0	0	60,000	0	0	11,992.80	71,992.80	0	60,000	2,204,000	3,347,000	0	1,066,090	6,677,090
2	KU HWA SENG	Executive Director	0	0	60,000	0	0	11,992.80	71,992.80	0	60,000	2,204,000	3,347,000	0	1,066,090	6,677,090
3	KU TIEN SEK	Executive Director	0	0	60,000	0	0	11,992.80	71,992.80	0	60,000	2,204,000	3,347,000	0	1,066,090	6,677,090
4	LEE CHYE TEE	Executive Director	0	0	270,000	67,500	0	41,423.40	378,923.40	0	0	0	0	0	0	0
5	GOW KOW	Independent Director	30,000	4,000	0	0	0	0	34,000	0	0	0	0	0	0	0
6	GOH TYAU SOON	Independent Director	30,000	3,000	0	0	0	0	33,000	0	0	0	0	0	0	0
7	TEY PING CHENG	Independent Director	30,000	4,000	0	0	0	0	34,000	0	0	0	0	0	0	0
8	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	-	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 8.2

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.

<b>Application</b>	:	Departure						
<b>Explanation on application of the practice</b>	:							
<b>Explanation for departure</b>	:	<p>The Board is of the opinion that the disclosure of the remuneration component in bands of RM50,000 on named basis of individual members of Senior Management may jeopardize the personal security of the individual members of Senior Management and increase the risk of loss of key personnel as their remuneration packages are published publicly. Careful assessment of the impact of the disclosure of the remuneration component in bands of RM50,000 on named basis of individual members of Senior Management shall be performed by the Board to ensure that such disclosure will not pose significant risk to the personal security of the individual members of Senior Management and increase the risk of loss of key personnel by formulating mitigation plans before compliance with the requirement.</p> <p>A summary of remuneration packages of the top Senior Management team of the Company during the FYE 31 December 2021 was as follows:</p> <table border="1"><thead><tr><th>Range of Remuneration</th><th>No. of members of Senior Management</th></tr></thead><tbody><tr><td>RM 100,001 to RM 150,000</td><td>1</td></tr><tr><td>RM 400,001 to RM 450,000</td><td>1</td></tr></tbody></table>	Range of Remuneration	No. of members of Senior Management	RM 100,001 to RM 150,000	1	RM 400,001 to RM 450,000	1
Range of Remuneration	No. of members of Senior Management							
RM 100,001 to RM 150,000	1							
RM 400,001 to RM 450,000	1							
<p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>								
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>								
<b>Measure</b>	:	Careful assessment of the impact of the disclosure of the remuneration component in bands of RM50,000 on named basis of individual members of Senior Management shall be performed by the Board to ensure that such disclosure will not pose significant risk to the personal security of the individual member of Senior Management and increase						

	the risk of loss of key personnel by formulating mitigation plans before compliance with the requirement.	
<b>Timeframe</b>	:	Choose an item.

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

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Company complied with the requirement that the Chairman of the Audit Committee is not the Chairman of the Board and such requirement is stated in the Board Charter of the Company.</p> <p>During the financial year under review and up to the date of this Report, the Chairman of the Audit Committee is Mr. Gow Kow, an Independent Director and Non-Executive Director while the Chairman of the Board is Mr. Ku Hwa Seng.</p> <p>The Chairman of the Audit Committee, Mr. Gow Kow, fulfills the requirement under paragraph 15.09(1)(c)(i) and paragraph 7.1 of Practice Note 13 of MMLRs and possesses strong financial literacy skills as he is a fellow member of the Association of Chartered Certified Accountants and the Malaysian Institute of Taxation as well as a member of the Malaysian Institute of Accountants, the Institute of Certified Public Accountants of Singapore and the Institute of Chartered Secretaries and Administrators and a managing partner of a Public Accounting Firm in Malaysia. Please refer to the Directors' Profile section of the Annual Report for further details on the qualification and experience of the Chairman of the Audit Committee.</p> <p>An abstract of duties and responsibilities of the Audit Committee as stated in the Terms of Reference of Audit Committee, led by the Chairman, includes the followings:</p> <ol style="list-style-type: none"> <li>I. to review with the External Auditors their audit plan, their evaluation of the system of internal accounting and controls and their audit report;</li> <li>II. to review the assistance given by the Company's employees to the External Auditors;</li> <li>III. to review the adequacy of the scope, function, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;</li> <li>IV. to review the financial condition of the Group, its internal controls and audit programme, the performance and findings of internal audit staff and to recommend action to be taken thereon by the management and whether appropriate action is taken on the recommendations of the internal audit function;</li> </ol>

	<p>V. to review the quarterly results and year-end financial statements, prior to the approval by the Board of Directors, focusing particularly on:</p> <ul style="list-style-type: none"> <li>a) changes in or implementation of major accounting policy changes;</li> <li>b) significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed; and</li> <li>c) compliance with accounting standards and other legal requirements</li> </ul> <p>VI. to review any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;</p> <p>VII. to review and report the same to the Board of Directors any letter of resignation from the External Auditors of the Company as well as whether there is any reason (supported by grounds) to believe that the Company's External Auditors are not suitable for re-appointment;</p> <p>VIII. to make recommendations concerning the appointment of the External Auditors and their remuneration to the Board of Directors;</p> <p>IX. assess the suitability, objectivity and independence of the External Auditors annually;</p> <p>X. to recommend the nomination of a person or persons as external auditors and internal auditors; and their respective audit fees;</p> <p>XI. to oversee the Company's and the staff's ethical matters and all other incidental matter pertaining thereto;</p> <p>XII. such other functions as may be agreed to by the Audit Committee and the Board of Directors; and</p> <p>XIII. meeting with External Auditors at least twice a year.</p> <p>The Terms of Reference of Audit Committee detailing the composition, authorities, duties and responsibilities are available for download from "Others" section of the "News" tab of the corporate website at <a href="http://www.ksl.my">www.ksl.my</a>.</p> <p>A summary of activities of the Audit Committee, led by the Chairman, are disclosed in the Annual Report's Audit Committee Report.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	

<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>None of the members of the Board were former audit partners of the external audit firm of the Company.</p> <p>The Board Charter of the Company includes the requirement of former key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee. The Board plans to review and update the Board Charter to be in consistent with the requirement of this Practice to cover not only former key audit partner but also a former partner of the external audit firm of the Company.</p> <p>The latest Board Charter of Company is published in “Others” section of the “News” tab of the corporate website at <a href="http://www.ksl.my">www.ksl.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>Based on the Terms of Reference of the Audit Committee, Audit Committee have direct communication channels with external auditors and have the responsibility to review with the external auditors on audit plan, its scope and nature, the Audit Report, results of their evaluation of the accounting policies and systems of internal accounting controls within the Group, the assistance given by the officers of the Company to external auditors, the appropriateness of the level of fees and to assess the suitability, objectivity and independence of the external auditors annually. Furthermore, it is the responsibility of Audit Committee to consider the appointment or re-appointment of external auditors, the audit fee and any questions of resignation or dismissal including recommending the nomination of person or persons as external auditors.</p> <p>Although the Company do not have a formalised policy on the assessment of the suitability, objectivity and independence of the external auditors, Audit Committee obtained from the external auditors, prior to the commencement of the audit engagement and upon the conclusion of the audit engagement, confirmation on their independence throughout the audit engagement and that the external auditors were not aware of any relationship between them and the Group that may reasonably to impair their independence.</p> <p>The Audit Committee and the Board are committed to ensure the suitability and independence of external auditors in substance as well as in form although there is a lack of formal policy and procedure in relation thereto in the following manners.</p> <p>The engagement of the external auditors is governed by the engagement letter with terms of engagement which includes, amongst others, the scope of coverage, the responsibilities of the external</p>

	<p>auditors, confidentiality, independence and the proposed fees reviewed by the Audit Committee and its recommendation to the Board.</p> <p>On annual basis, prior to the commencement of the external audit engagement for the financial year, the external auditors presented the Audit Planning Memorandum to the Audit Committee whereby the engagement and reporting requirements, audit approach, overall materiality and tolerable misstatement, significant events during the year, areas of audit emphasis, responsibilities of external auditors, communication with Audit Committee, Malaysian Financial Reporting Standards (“MFRSs”) updates and other matters, reporting, deliverables and audit fees, engagement team, fraud enquiries, independence declaration, deliverables and proposed audit fees were tabled to the Audit Committee for review. The External Auditors confirmed to the Audit Committee via a Letter of Independence on their independence throughout the audit engagement that they are not aware of any relationship between the Group and them that may reasonably to impair their independence.</p> <p>In addition, the Audit Committee met once privately with the external auditors during the financial year without the presence of the Executive Directors and the Management to encourage two-way communication of the information and views and for the external auditors to freely express their opinion without undue pressure.</p> <p>Having regarded the meetings (including the private session held) with the external auditors and the oversights of the external auditors based on the Terms of Reference and the engagement letter, the Audit Committee and the Board is of the opinion that the external auditors was suitable and able to deliver the assurance engagement professionally and diligently with sufficient level of independence under the relevant laws and regulations and recommended their reappointment to the Board, upon which the shareholders’ approval was sought at the AGM.</p>
	<p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>: The Audit Committee to establish formal policy on the assessment of the suitability, objectivity and independence of the external auditors and to subject such policy for the review and approval by the Board in future.</p>
<p><b>Timeframe</b></p>	<p>: Choose an item.</p>

**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.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	At present, the Audit Committee comprises solely of Independent Directors. The details of the members of the Audit Committee are disclosed in the Corporate information and the Profile of Directors sections of the Annual Report.

### 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.

<b>Application</b>	:	Applied												
<b>Explanation on application of the practice</b>	:	<p>The members of the Audit Committee consist of members who have a wide range of necessary skills to discharge its duties, i.e. experiences in accounting, company secretarial, auditing, finance, taxation, liquidation, management consultancy and legal. All Audit Committee members are financially literate, through their education pursued and working experiences. The details of the experiences and education qualification of the members of the Audit Committee are disclosed under the section of Directors' Profile in the Annual Report.</p> <p>During the financial year ended 31 December 2021, the members of Audit Committee undertook continuous professional development(s) as required by the respective professional bodies and trainings that are identified by the Board which are relevant to the field of accounting, auditing, taxation, company laws and regulatory development. The trainings attended by individual members of the Audit Committee are shown in the following table:</p>												
		<table border="1"><thead><tr><th><b>Member of Audit Committee</b></th><th><b>Name of Conference/Talk/Seminar Attended or Participated</b></th><th><b>Organiser</b></th></tr></thead><tbody><tr><td>Gow Kow</td><td>MIA Webinar Series: Audit Quality Enhancement Programme for SMPs</td><td>Malaysian Institute of Accountants ("MIA")</td></tr><tr><td></td><td>Managing Transfer Pricing in Times of Uncertainties</td><td>Chartered Tax Institute of Malaysia ("CTIM")</td></tr><tr><td></td><td>National Tax Conference 2021</td><td>Chartered Tax Institute of Malaysia ("CTIM") and Lembaga</td></tr></tbody></table>	<b>Member of Audit Committee</b>	<b>Name of Conference/Talk/Seminar Attended or Participated</b>	<b>Organiser</b>	Gow Kow	MIA Webinar Series: Audit Quality Enhancement Programme for SMPs	Malaysian Institute of Accountants ("MIA")		Managing Transfer Pricing in Times of Uncertainties	Chartered Tax Institute of Malaysia ("CTIM")		National Tax Conference 2021	Chartered Tax Institute of Malaysia ("CTIM") and Lembaga
<b>Member of Audit Committee</b>	<b>Name of Conference/Talk/Seminar Attended or Participated</b>	<b>Organiser</b>												
Gow Kow	MIA Webinar Series: Audit Quality Enhancement Programme for SMPs	Malaysian Institute of Accountants ("MIA")												
	Managing Transfer Pricing in Times of Uncertainties	Chartered Tax Institute of Malaysia ("CTIM")												
	National Tax Conference 2021	Chartered Tax Institute of Malaysia ("CTIM") and Lembaga												

			Hasil Dalam Negeri Malaysia
		Seminar Percukaian Kebangsaan 2021	Lembaga Hasil Dalam Negeri Malaysia
		EY Budget 2022 Webinar	Ernst & Young
		Malaysia Code on Corporate Governance 2021	NeedsBridge Advisory Sdn Bhd
	Goh Tyau Soon	EY Budget 2022 Webinar	Ernst & Young
	Tey Ping Cheng	New Public Rulings in 2020 and 2021	CPA Australia
		Transfer Pricing – Overview and Compliance Requirements	CPA Australia
		Quarterly Tax Updates 2021	Chartered Tax Institute of Malaysia (“CTIM”)
		Current Tax Issues on Interest Expense	Chartered Tax Institute of Malaysia (“CTIM”)
		Practical Guide for The Company Secretaries	Malaysian Association of Company Secretaries
		Workshop 2021 on The Companies Act, 2016: Practical on The Reporting Framework for BO of Legal Persons	Malaysian Association of Company Secretaries
		Effective Minutes Writing and Online Meeting	Malaysian Association of Company Secretaries
		Virtual Forum on ‘Governance in SMEs – SMEs, A Key Strategic Business Partner in The Supply Chain’	Malaysian Institute of Corporate Governance
		EY Budget 2022 Webinar	Ernst & Young
		Audit Committee Conference 2021	Malaysian Institute of Accountants and The Institute of Internal Auditors Malaysia
		Malaysia Code on Corporate Governance 2021	NeedsBridge Advisory Sdn Bhd

	<p>Apart from that, individual members of the Audit Committee were subjected to annual evaluation on the trustworthiness, dynamic participation, integrity, capability, experience, ongoing education, analytic skills, understanding of financial risks, compliance process, statutory reporting requirements and significant accounting policies and accounting estimates based on the criteria adopted from Corporate Governance Guide issued by Bursa Malaysia Securities Berhad. Furthermore, an assessment of the effectiveness of the Audit Committee was performed by non-Audit Committee members via Audit Committee Evaluation Questionnaire based on the criteria adopted from Corporate Governance Guide issued by Bursa Malaysia Securities Berhad which focuses on quality and composition, skills and competencies, meeting administration and conduct as well as the activities carried out by the Audit Committee.</p> <p>Through the assessments conducted, the Board and the Nomination Committee were of the opinion that the Audit Committee has the right mix of expertise, experience and skills and they have discharged their responsibilities and duties per the Term of Reference of Audit Committee.</p> <p>Please refer to the Audit Committee Report in the Annual Report for the activities performed by the Audit Committee in accordance with the terms of reference of the Audit Committee.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal controls as well as internal audit mechanism to safeguard shareholders' investment and the Group's assets.</p> <p>The Board put in place formal and structured Group Risk Management Policy as the governance structure and processes for the risk management on enterprise wide in order to embed the risk management practice into all level of the Group and to manage key business risks faced by the Group adequately and effectively. Internal audit function is established to review the adequacy and effectiveness of the risk management and internal control system. The Board assumes the ultimate responsibility for risk management and internal control and establishes the risk appetite of the Group. The duties for the identification, evaluation and management of the key business risk are delegated to the Risk and Sustainability Management Committee while the Risk Management Committee is delegated with the oversight role.</p> <p>The details of the risk management and internal control system within the Group, including the process of identification, assessment and monitoring of key business risks are disclosed in the Statement on Risk Management and Internal Control in the Annual Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Structured risk management process is stipulated in the Group Risk Management Policy approved by the Board, whereby each step of the risk identification, risk evaluation, risk treatment and control activities are laid down for application by the Risk and Sustainability Management Committee and the Risk Owners, i.e. Heads of Department/Division. Risk assessment, at gross and residual level, are guided by the likelihood rating and impact rating established by the Board based on the risk appetite acceptable by the Board that are stipulated in the Policy. Key risk registers were compiled by the Risk and Sustainability Management Committee, with relevant key risks identified rated based on the agreed upon risk rating before tabled to the Risk Management Committee and Audit Committee for its review and deliberation on its adequacy and effectiveness and for its reporting of the results of review to the Board.</p> <p>The Group Risk Management Policy is guided by ISO 31000:2018 – Risk Management Guidelines. Internal audits are carried out by the outsourced internal audit function based on the internal audit plan approved by the Audit Committee.</p> <p>Please refer to the Statement on Risk Management and Internal Control in the Annual Report for the detailed disclosures on the risk management and internal control system as well as the opinion of the Board on the state of the risk management and internal control system within the Group.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**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.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The Board had established a Risk Management Committee, made up of three (3) Independent Directors and the Group Managing Director. The Risk Management Committee is guided by formal terms of reference approved by the Board, with its primary function to perform risk oversight at board level in ensuring enterprise risk management activities within the Group are adequately and effectively deployed.</p> <p>The terms of reference of the Risk Management Committee is available for viewing and download at "Others" section of the "News" tab of the corporate website at <a href="http://www.ksl.my">www.ksl.my</a>.</p>

## Intended Outcome

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

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee is responsible for ensuring the integrity and effective operation of the internal audit function. In this respect, the outsourced internal audit function, NeedsBridge Advisory Sdn. Bhd., is reporting directly to the Audit Committee under the terms of the engagement letter and the Internal Audit Charter as well as per the Terms of Reference of the Audit Committee.</p> <p>In addition, the Terms of Reference of the Audit Committee defines that the oversight role of the Audit Committee in relation to the internal audit function includes the followings, inter-alia:</p> <ul style="list-style-type: none"><li>• To review the adequacy of the scope, function, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;</li><li>• To review the financial condition of the Group, its internal controls and audit programme, the performance and findings of internal audit staff and to recommend action to be taken thereon by the management and whether appropriate action is taken on the recommendations of the internal audit function;</li><li>• To oversee and appraise the quality of the audits conducted by the internal audit function;</li><li>• To recommend the appointment and resignation of the internal audit function and their respective audit fees to the Board.</li></ul> <p>During the financial year ended 31 December 2021, based on the internal audit plan reviewed by the Audit Committee and approved by the Board for execution, the outsourced internal audit function had conducted reviews for Management Information System (“MIS”) Management and Treasury Management for the hotel and mall operations of key subsidiaries of the Group. Upon the completion of the individual internal audit fieldworks during the financial year, the internal audit reports were presented to the Audit Committee during its scheduled meetings.</p> <p>The cost incurred in maintaining the outsourced internal audit function for the financial year ended 31 December 2021 was amounted to RM42,556.</p> <p>The oversight role of the Audit Committee and the activities taken by the Audit Committee on the internal audit function during the financial</p>

	year are disclosed in Statement on Risk Management and Internal Control in the Annual Report and the duties and responsibilities of the Audit Committee are set out in the Terms of Reference of Audit Committee which is available for viewing and download at the “Others” section of the “News” tab of the corporate website at <a href="http://www.ksl.my">www.ksl.my</a> .	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The internal audit function of the Company is outsourced to an independent professional firm, NeedsBridge Advisory Sdn. Bhd. who reports directly to the Audit Committee with unrestricted access to the Group’s employees and documents in the performance of their engagement. The audit engagement of the outsourced internal audit function is governed by the engagement letter (which includes the terms of engagement, such as, the purpose and scope of works, accountability, independence, the outsourced internal audit function’s responsibilities, the Management’s responsibilities, the authority accorded to the outsourced internal audit function, limitation of scope of works, confidentiality, the proposed fees and engagement team) and the Internal Audit Charter (which include the terms of purpose and mission, its roles, professionalism required (including adherence to the Institute of Internal Auditors’ mandatory guidance), its authorities, reporting structure, independence and objectivity required, its responsibilities, purpose of internal audit plan, reporting and monitoring as well as qualify assurance and improvement programme) which are reviewed by the Audit Committee and its recommendation to the Board for approval.</p> <p>Based on the formal evaluation of the internal audit function as well as review of the works performed and deliverables by the outsourced internal audit function during the financial year, the Audit Committee and the Board are satisfied:</p> <ul style="list-style-type: none"><li>• that the outsourced internal audit function is free from any relationships or conflicts of interest which could impair their objectivity and independence;</li><li>• with the scope of the outsourced internal audit function;</li><li>• that the outsourced internal audit function possesses relevant experience, knowledge, competency and authority to discharge its functions effectively, possesses sufficient resources and has unrestricted access to employees and information for the internal audit activities; and</li></ul>

	<ul style="list-style-type: none"> <li>with the internal audit plan, the processes, the results of the internal audit and/or investigation undertaken.</li> </ul> <p>The details of the internal audit function and oversight role of the Audit Committee on the function are disclosed in the Statement on Risk Management and Internal Control, including but not limited to, the details of the engagement letter and Internal Audit Charter, review of the outsourced internal audit function’s resources and continuous professional developments.</p> <p>The engagement director of the outsourced internal audit function, Mr. Pang Nam Ming, is a Certified Internal Auditor (“CIA”) and Certification in Risk Management Assurance (“CRMA”) accredited by the Institute of Internal Auditors Global as well as a professional member of the Institute of Internal Auditors Malaysia. The outsourced internal audit function is manned by one (1) Senior Director, one (1) Director, five (5) Senior Managers/ Managers/ Assistant Managers and eleven (11) Senior Consultants/ Consultants during the financial year under review. The resources allocated to the fieldworks of the internal audit by the outsourced internal audit function were one (1) Manager, assisted by at least one (1) Senior Consultant and one (1) Consultant per one (1) audit engagement with oversight performed by the Engagement Director of the outsourced internal audit function. The members involved in the fieldworks are member of professional accounting body(ies) and/or possess Bachelor Degree in Finance and/or Accounting.</p> <p>The internal audit is carried out, in material aspects, in accordance with the International Professional Practices Framework (“IPPF”), i.e. Mission, Core Principles for the Professional Practice of Internal Auditing, Code of Ethics and the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors Global.</p> <p>Please refer to the Statement on Risk Management and Internal Control in the Annual Report for detailed disclosure on outsourced internal audit function.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	



### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>One of the core responsibilities of the Board as stated in the Board Charter is to develop and implement an investor relations programme or shareholder communications policy for the Company.</p> <p>In ensuring the communications to the public are timely, factual, accurate and complete, the Board has adopted a practice for the disclosure of material information of the Group. It also includes an internal control practice to ensure that confidential information is handled properly by relevant parties to avoid leakage and improper use of such information.</p> <p>In order to promote transparency and thoroughness in public dissemination of material information, the corporate website of the Company incorporates a "News" section which provides all relevant and material information on the Company and is accessible by the public via <a href="http://www.ksl.my">www.ksl.my</a>. The "News" section enhances the Investor Relations function by including all announcements made by the Company (including key matters discussed during annual general meetings), annual reports of the Company, press releases, relevant Board Charter and policies as well as Terms of Reference of relevant Board Committees, Constitution and Whistle-Blowing Policy established and implemented by the Board for the public to access. The Board had designated the Finance Director to oversee the Company's investor relations function.</p> <p>The core communication channel with the stakeholders employed by the Company is the announcements made through Bursa Malaysia Securities Berhad. The Board is observing all disclosure requirements as laid down by MMLRs and Capital Markets and Services Act 2007 in order to have all material events and information to be disseminated publicly and transparently on timely basis. This allows fair and equitable access by all stakeholders without selective disclosure of such information to specific individuals or groups. The corporate disclosure by the Company is further enhanced by way of the Executive Chairman and Group Managing Director assuming the role of authorised speaker for the Company during press conferences and analyst briefings to ensure factual accurate and consistent disclosure.</p>

	<p>The Annual Report, the core communication tool with stakeholders, contains all the necessary disclosures in addition to facts and figures about the Group. Therefore, efforts have been made to ensure that the report is user friendly so that shareholders have a good understanding about the Group and its operations.</p> <p>The General Meetings are the principal forum for dialogue with shareholders. The shareholders are given the opportunity and are encouraged to participate in general meetings of the Company.</p> <p>The Group hosted its 21<sup>st</sup> AGM on 27 May 2021 through live streaming and online voting due to the COVID-19 pandemic. Only essential individuals involved in conducting the meeting were physically present at the broadcast venue, with full adherence to the standard health and safety operating procedures. Adequate time is given during the AGM to encourage and allow shareholders to seek clarification or pose questions to the Board on pertinent and relevant matters via real time submission of typed texts. The external auditors were also present virtually at the broadcast venue to provide professional and independent clarification on issues and concerns raised by the shareholders during the meeting.</p> <p>In addition to the above, the Company also welcomes requests for meetings and interviews with professionals from the investment community and is always willing to meet up with institutional investors, when required, to elaborate or further clarify information that are already disclosed to the other shareholders.</p> <p>During the financial year under review, the Board provided timely disclosure of all material information of the Group to the shareholders through release of quarterly financial results, announcements and distribution of Annual Reports. Shareholders, investors and members of the public are able to access such announcements on Bursa Malaysia Securities Berhad' website as well as the "News" section of the corporate website at <a href="http://www.ksl.my">www.ksl.my</a>.</p>
<b>Explanation for departure</b> :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**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.

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

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter includes the requirement that notices for the AGM shall be given to shareholders at least 28 days prior to the meeting. This allows the shareholders to make necessary arrangements to participate in person or via their validly appointed proxies or corporate representatives. More importantly, it enables the shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the general meeting.</p> <p>The notice dated 28 April 2021 for the 21<sup>st</sup> AGM which is scheduled to be held on 27 May 2021 was given to shareholders 29 days prior to the meeting, more than the minimum mandated period of 28 days required in this Practice and in advance of the 21 days as required under the MMLR of Bursa Malaysia Securities Berhad. Printed copies of the aforementioned were dispatched to entitled shareholders 28 days before the AGM. The notice of the AGM is advertised in one (1) widely circulated newspaper in Malaysia in the English language. Shareholders are encouraged to attend the AGM.</p> <p>Similarly, the Board is committed in providing the notice of the 22<sup>nd</sup> AGM to the shareholders at least 28 days prior to the meeting.</p> <p>The notice of the AGM includes the following information:</p> <ul style="list-style-type: none"><li>• Date, time and venue of the meeting</li><li>• Ordinary and special resolutions (if any) that are tabled for approval as well as explanatory notes and information on the agenda items to be approved</li><li>• Notes on the voting rights and procedures for shareholders to exercise their rights to appoint proxy in relation to the general meeting.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**Intended Outcome**

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

**Practice 13.2**

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Group hosted its 21<sup>st</sup> AGM on 27 May 2021 through live streaming and online remote voting due to the COVID-19 pandemic. All Directors and the Company Secretary physically attended the 21<sup>st</sup> AGM held during the financial year under review.</p> <p>The Board Charter incorporated the requirement that attendance of all Directors at the general meetings so that the effective communication between the Board and the shareholders established with those with oversight role (including but not limited to the chairman of Board Committees) for the matters raised by the shareholders were present to answer such enquiry in person.</p> <p>Adequate time is given during the AGM to encourage and allow the shareholders to seek clarification or pose questions on pertinent and relevant matters. The External Auditors were also present at AGM to provide professional and independent clarification on issues and concerns raised by the shareholders during the meeting.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>To promote participation of shareholders in general meetings, the Company's Constitution includes explicit right of proxy(ies) to speak at general meetings, to allow a member who is an exempt authorized nominee to appoint multiple proxies for each omnibus account it holds, imposes no restriction on proxy's qualification and to allow polling of votes to be conducted electronically.</p> <p>Amid COVID-19 pandemic and as part of the safety measure, the Group conducted its 21<sup>st</sup> AGM in full virtual platform on 27 May 2021. The virtual general meeting allows shareholders to exercise their right to participate, pose questions, and vote at the general meeting safely and remotely via Remote Participation and Voting Facilities ("RPV"), after successfully registered online (subject to verification and onboarding process of the RPV). The AGM was broadcast via RPV with only essential individuals involved in conducting the meeting were physically present at the broadcast venue, with full adherence to the standard health and safety operating procedures and Guidance and FAQs on the Conduct of General Meetings for Listed Issuers issued by Securities Commission. The poll administration and RPV facility service were provided by reputable professional firm in Malaysia with comprehensive and secured RPV software tools developed and maintained. The engagement letter with such poll administrator and RPV facility service provider includes clauses on confidentiality, protection of personal data received and to ensure cybersecurity is preserved before, during and after the general meeting.</p> <p>In view of the resurgence of COVID-19 in Malaysia and in compliance of the Guidance and FAQs on the Conduct of General Meetings for Listed Issuers issued by Securities Commission, the Company is to hold the forthcoming Twenty-Second Annual General Meeting ("22<sup>nd</sup> AGM") via full virtual platform so that shareholders can exercise their right to participate, pose questions, and vote at the forthcoming general meeting safely and remotely.</p>

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

### 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.

*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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>To facilitate and encourage shareholder participation during such general meeting, the administrative guide for attending 21<sup>st</sup> AGM was issued and published in the RPV facility so that the shareholders were guided on steps required from the shareholders before the date of general meeting and during the meeting.</p> <p>In addition, the shareholders were able to participate and interact with the Board actively in the general meeting via live streaming of general meeting proceeding on their devices and to submit their question via query box to the Board of the Company during the meeting via the RPV facility. In order to further encourage participation of the shareholders, questioned to be posed to the Board of the Company before the date of general meeting via the RPV facility was enabled. It is the policy of the Board of the Company that all pertinent and relevant questions posed will be answered by the Board and sufficient time is to be allocated by the Board to answer such questions raised via the live streaming broadcasted to all the shareholders attended the general meeting through the RPV facility. In the event that not all questions posed are answered by the Board during the general meeting due to time constraint, it is the policy of the Board to have the responses to the questions not answered during the general meeting being answered and recorded as part of the AGM minutes of the "Summary of Minutes of The Annual General Meeting" which is able to be access for viewing and download at the "Others" section of the "News" tab of the corporate website at <a href="http://www.ksl.my">www.ksl.my</a>.</p> <p>During the 21<sup>st</sup> AGM, sufficient time was allocated for the shareholders to pose questions to the Board of the Company via RPV facility and all pertinent questions relevant to the agendas of the general meeting were answered by the Board of the Company via the live streaming broadcasted before poll voting started. With the initiative by the Board to promote interactive session with the shareholders to seek clarification or information from the Board during the proceeding of the</p>

	general meeting, the shareholders were accorded relevant information to cast informed vote in relation to the proposed resolutions during the general meeting.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 21<sup>st</sup> AGM was held virtually from the broadcast venue at KSL City, Johor Bahru. The fully virtual 21<sup>st</sup> AGM was conducted via RPV facility provided by AI Smartual Learning Sdn Bhd due to their extensive experiences in poll administering services in Malaysia and their comprehensive RPV facility's functionality and performance to facilitate smooth and meaningful fully virtual general meeting and online remote voting compliance and experience.</p> <p>Simulation of the proceeding of the general meeting and voting was held with the Directors, the Company Secretary and the Scrutineer few days before the date of the general meeting to ensure that fully virtual general meeting's requirements, sequence, protocols and rules were made known to the parties involved (including access by the parties involved to questions posed by the shareholders via the RPV facility in order to response accordingly) and the broadcasting of proceeding of such general meeting via live-streaming module of the RPV is smooth without undue lagging experience, as well as the shareholders were able to participate in the fully virtual general meeting interactively with the Board of the Company and able to cast vote remotely confidently and securely. Adequate members of technical support team was provided by poll administrator to setup and test the RPV and broadcast facility before the general meeting as well as to provide technical assistance in relation to the RPV and broadcast facility during the proceeding of the general meeting.</p> <p>All shareholders that attended and participated in the fully virtual general meeting were allowed to pose their questions via real time submission of typed text through the text box within the RPV facility before the start or during the live streaming of the AGM. The questions and/or remarks submitted by the shareholders and/or proxies are broadcasted and all pertinent questions raised are responded by the Board of the Company during the meeting.</p>

	<p>Furthermore, all pertinent questions raised by the shareholders prior to the date of general meeting and during the general meeting and its corresponding answers provided by the Board during the 21<sup>st</sup> AGM were compiled and recorded as part of the AGM minutes under the "Summary of Minutes of The Annual General Meeting" which is able to be access for viewing and download at the "Others" section of the "News" of the corporate website at <a href="http://www.do.com.my">www.do.com.my</a>.</p>	
<p><b>Explanation for departure</b></p>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	:	
<p><b>Timeframe</b></p>	:	

**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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The minutes of the meeting of the 21 <sup>st</sup> AGM and the key matters discussed during such meeting were uploaded to the “Summary of Minutes of The Annual General Meeting” sub-section of the “Others” section of the “News” of the corporate website at <a href="http://www.do.com.my">www.do.com.my</a> within 30 business days from the date of the general meeting held.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**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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