

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5038
COMPANY NAME : KSL Holdings Berhad
FINANCIAL YEAR : December 31, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("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 (via the Audit Committee ("AC"), Remuneration Committee ("RC"), Nomination Committee ("NC") and Risk Management Committees ("RMC")) with clear Terms of Reference.</p> <p>In order to equip themselves to discharge their responsibilities as Directors of the Company, Directors attended trainings and briefings on company secretarial, accounting, auditing, taxation, corporate governance, sustainability management and other laws and regulations during the financial year under review.</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>1. <u>Establishing and reviewing the strategic direction of the Group</u> 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 capital commitments and financial resources (including gearing ratio) of the Group for review.</p>

The strategy planning and review process was also supported by reports and updates from Executive Directors focusing 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 a quarterly basis, the financial and non-financial performance is presented by the Finance Director to the Board, including but not limited to, the progress of end-user financing for sales not completed, updates on planned development project progress and status of unsold completed units. In addition, the Finance Director presents a comparison of actual financial results against the corresponding financial periods (including the major components of financial performance and position) quarterly to the AC 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 acknowledges that, as one of its fiduciary duties 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 has established the **Code of Conduct** to govern the standards of ethics and good conduct expected of employees, customers and vendors, as well as act as the foundation for ethical rules within the Group. At the operational level, integrity and ethical values expected from the employees are incorporated in the Employee Handbook by the management of the Company ("Management") based on the values promoted in the **Code of Conduct**. Additionally, the Board has implemented a formal **Group Anti-Bribery and Anti-Corruption Policy** to mitigate the risk of bribery. Furthermore, the establishment of a formal **Whistle-Blowing Policy** underscores the Group's commitment to fostering an environment where stakeholders feel empowered to report any instances of improper behaviour without being victimised for doing so. Please refer to Practices 3.1 and 3.2 for detailed disclosure of the **Code of Conduct** 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 has put in place a formal **Group Risk Management Policy** for the structured management of the business risks faced by the Group. The Board are kept informed of the emergence and changes of the key risks faced by the Group and Management's steps to manage these risks, either at scheduled intervals or as circumstances dictate. Under the guidance of the Group Risk Management Policy, the Board receives regular updates on the

identification and evolution of key risks facing the Group, along with the actions taken by Management to address them. These assessments, conducted by the Risk and Sustainability Management Committee (“RSMC”), evaluate risks both at their gross and residual levels, utilising criteria such as likelihood and impact ratings established by the Board in accordance with its risk appetite.

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 NC and RC, is responsible for succession planning of the Group, which includes overseeing the appointment, reappointment and determination of the compensation of members of the Board and Senior Management. Furthermore, it is the duty of the NC to assess the performance of the Board as a whole, Board Committees and individual Directors.

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 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 subject to an annual performance appraisal process based on the formal human resource policy established.

Further details on the role and responsibilities of NC and RC are disclosed in Practices 5.8 and 7.2.

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

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

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 AC on its adequacy and effectiveness (i.e. present and functioning).

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

During the quarterly AC meetings, the draft financial statements are reviewed by AC together with the Management, with key areas of focus include 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, AC 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 Management.

Further information on the Group’s Internal Audit function and works performed by the AC in relation to financial reporting is disclosed in Practice 11.1 of this report, as well as in the Statement of Risk Management and Internal Control and the Audit Committee Report in the Annual Report.

8. Reviewing Corporate Governance Compliance

The Board serves as 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 a good corporate governance culture within the Group, which reinforces ethical, prudent and professional behaviour. This is demonstrated through the **Board Charter** and the **Terms of References** for Board Committees that are regularly reviewed.

9. Sustainability Management

The Board has 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

	<p>engagement activities pursuant to MMLRs and in compliance with the Sustainability Reporting Guide issued by Bursa Malaysia Securities Berhad in material aspects.</p> <p>As of the date of this report, the Management has identified both internal and external stakeholders in the context of the Group, with prioritisation guided by a set of criteria and a rating system approved by the Board. In addition, the Management has identified sustainability matters, evaluated their significance within the Group and their potential impact on the decision-making processes of both internal and external stakeholders. These materiality assessments are conducted using the criteria and rating system approved by 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>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Executive Chairman of KSL, Mr. Ku Hwa Seng has been providing his strong and fair leadership whilst prioritising the Board's objectives when discharging his duties. He encourages greater participation of Directors in deliberations of all issues in the meetings by giving them ample time to deliberate during the stipulated meeting time. In instances where a conflict of interest arises, he refrains from participating in deliberations and abstains from the related decision-making processes.</p> <p>As provided in the Board Charter and as practised 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">a) To provide leadership to the Board;b) To provide governance in matters requiring corporate justice and integrity, and to lead the Board in establishing and monitoring good corporate governance practices;c) To oversee the effective discharge of the Board's responsibilities;d) To lead the Board in the oversight of the Management and ensure the effectiveness of its role in all aspects;e) To set board agenda and ensure that Directors receive complete and accurate information timely;f) To ensure the efficient organisation and conduct of the Board meetings;g) To ensure that quality information is delivered to Board members on a timely basis to facilitate decision-making;h) To facilitate the effective contribution of all Directors at Board meetings, encourage active participation and allow dissenting views to be freely expressed;i) To promote constructive and respectful relationships within the Board, and between the Board and Management;j) To promote effective communication among the Board members and with shareholders and relevant stakeholders, to ensure their views are communicated to the Board;k) To chair general meetings of shareholders; andl) To maintain effective professional relationships with external parties, investing public, regulatory bodies and trade associations. <p>Further details on the roles and responsibilities of the Chairman of the Board are stated in Paragraph 3.2 of the Board Charter, accessible via</p>

	"Others" section of the "News" tab of the corporate website at www.ksl.my .	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>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 to ensure proper execution of strategic goals and effective operation management within the Group.</p> <p>The Group Managing Director is accountable to the Board for the achievement of the corporate objectives and for the observance of management authorities. Group Managing Director shall be the head of the Management of the Group and answerable to the Board in that manner.</p> <p>The roles and responsibilities of the Group Managing Director are as follows: -</p> <ul style="list-style-type: none">(a) To develop corporate strategies for the Group for the Board's approval and to implement such approved corporate strategies for the Group;(b) To implement other Board's decision effectively and efficiently;(c) To provide leadership in order to achieve the vision, management philosophy and business strategies;(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;(e) To safeguard the assets of the Group;(f) To ensure effective internal and external reporting within the Group;(g) To ensure compliance with applicable laws and regulations;(h) To assess business opportunities which are of potential benefit to the Group and to recommend major business opportunities for the Board's consideration;(i) To communicate material and relevant matters to the attention of the Board timely and accurately for decision making;(j) To execute and implement risk management policy and processes approved by the Board throughout the Group;(k) To ensure adequacy and effectiveness of the internal control system of the Group;

	<p>(l) To execute and implement sustainability management policy and process approved by the Board throughout the Group;</p> <p>(m) To execute and implement anti-bribery and corruption policy and process approved by the Board throughout the Group; and</p> <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 the Chairman and the Group Managing Director (including Executive Directors) are defined in paragraph 3.2 of the Board Charter which is available in “Others” section of the “News” tab of the corporate website at www.ksl.my.</p>
<p>Explanation for departure</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>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</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>	
Application :	Applied
Explanation on application of the practice :	<p>The Chairman of the Board was not a member of AC, NC, RC and RMC during the financial year under review.</p> <p>The Chairman of the Board did not participate, including by way of invitation, in the meeting of AC, NC, RC and RMC during the financial year under review.</p> <p>Upon or after the conclusion of respective Board Committee meetings, the Chairman of such Board Committee was invited to report to the Board during scheduled meetings. Matters discussed, reviews conducted and recommendations reached within the Board Committees are then disseminated to the Board, enabling the Board, under the leadership of its Chairman, to fulfil its oversight duties in an impartial manner.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	: Applied
Explanation on application of the practice	<p>The 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">a) Advisory role to the Board with regards to the Malaysian Code on Corporate Governance ("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;b) Management of and preparation of minutes of Board and Board Committee Meetings that include the setting of the agendas with the Chairman, dissemination of information and papers for the meetings, procedures for meetings, recording of deliberations and decisions, and all related matters; andc) 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.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. <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 and services of the Company Secretary in discharging their duties effectively.</p>

	<p>The Company Secretary attended briefings and updates provided by relevant regulatory bodies or professional firms in order to keep abreast with the latest developments 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 via “Others” section of the “News” tab of the corporate website at www.ksl.my.</p>	
<p>Explanation for departure</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>Measure</p>		
<p>Timeframe</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.

Application	:	Applied
Explanation on application of the practice	:	<p>During the financial year under review, the Board Committee meetings, including meetings of AC, were not combined with the Board Meetings. Other Directors and employees who are not a member of the Board Committee only attended the meeting by Board Committee's invitation. The invitations were tailored to specific agenda to be discussed during the meeting, ensuring focused and effective discharge of the Board Committee's duties.</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 comparative figures), professionals' reports, financial and operational reviews, information on unsold completed units, borrowings and gearing, planned capital commitments, relevant statements and reports to be made in the Annual Report, draft circulars/statements, related party transactions, interests of directors in the Company, list of Directors' circular resolutions, list of announcements submitted to Bursa Malaysia Securities Berhad and other relevant documents), are circulated via email to all Directors no later than five (5) working days before the scheduled meeting, enabling the members of the Board to have sufficient time to obtain comprehensive understanding of the issues or matters to be deliberated prior to the meeting. All matters arising from previous meetings form part of the agenda of the succeeding meetings and are reported in the next meeting of both the Board meeting and its Board Committees meetings accordingly. Minutes of Board Committees meetings are presented to the Board members in the subsequent Board meeting. Unless varied by any terms of reference, meetings and proceedings of the Board will be governed by the Company's Constitution.</p> <p>The Chairman of the Board or Board Committee will preside over the meeting. In the absence of the Chairman and/or an appointed deputy, the remaining members present shall elect one among themselves to chair the meeting, following 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>

authorities, powers and discretion vested in or exercisable by the Board.

The Board may invite external parties such as the Management, auditors, solicitors or consultants to brief the Directors and clear their doubts or concerns as and when the need arises. The invitees may attend part or the whole Board Meeting at the discretion of the Board.

Questions or clarifications raised by Board members are addressed either prior to or during the meetings, and the responses are shared with all Board members. Each agenda item presented to the Board undergoes thorough deliberation and discussion. If necessary, items are referred to the relevant Committee for detailed examination before being recommended to the Board for decision-making. The Chairperson of each Board Committee reports on the activities and recommendations of their respective Committees to the full Board during Board meetings. Management is invited to attend and present at meetings to provide explanations or engage in discussions with the Board. The Chairman fosters an environment conducive to open discussions, encouraging all members to contribute their insights and perspectives.

The Chairman of the Board, on the advice of the Company Secretary, 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 item or issues brought up were discussed or deliberated in necessary depth before decisions were made. The Company Secretary took minutes of the meetings which shall be in sufficient details of the deliberations and decisions made at the meeting. These minutes are circulated to all members of the Board no less than five (5) working days before the date of the next meeting for review and confirmation.

All Directors have full access to the information within the Company and are entitled to obtain full disclosure of facts from the Management and seek advice or services from the Company Secretary or independent professional adviser, at the Company's expense, as necessary in the discharge of their duties. This process ensures that all matters brought before the Board for decision-making are discussed and examined impartially, with due consideration given to the long-term interests of shareholders, employees, suppliers and the broader community in which the Group conducts its businesses.

Administrative matters are carried out through written circular resolutions to save time and enhance efficiency, with salient information encapsulated in the said written circular resolution and supported by relevant supporting documents/information pertaining to the matters, to enable the Directors to make informed decisions.

The annual tentative meeting timetable for the 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 the schedule of individual members of the Board are coordinated in the manner to ensure their attendance to the relevant general meeting(s), Board Committee Meetings and Board Meetings accordingly.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board's functions are governed and regulated by its Board Charter, the Company's Constitution, MMLRs and various other applicable legislations and regulations. The Board Charter was last updated on 24 August 2023. A copy of the Board Charter is available for download at "Others" section under the "News" tab of the corporate website at www.ksl.my. Nevertheless, the Board will continuously review and update (if required) its Board Charter to uphold 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, the 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 roles 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 directorship, 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 as well as matters reserved for the Board are stated in Paragraph 3.1 of the Board Charter.</p> <p>Salient features of the Board Charter:</p> <ul style="list-style-type: none">• Board Composition – stipulates the composition requirements of the Board.

	<ul style="list-style-type: none"> • Matters reserved for the Board - identifies matters for determination and/or approval by the Board, including but not limited to: - <ul style="list-style-type: none"> i. approval of new ventures; ii. approval of corporate plans and programmes; iii. approval of annual financial and capital expenditure budgets; iv. approval of annual and interim financial results of the Group and release therefrom; v. approval of interim dividend and the recommendation for final dividend; vi. approval of adoption of accounting policies; vii. review of the internal audit plans and major changes therefrom; viii. review of external audit plans; ix. acceptance of audit reports including management letters; x. approval of material acquisitions and disposals of undertakings and properties; xi. approval of major investment in properties, plant and equipment; xii. approval of acquisition of lands for development; xiii. approval of changes in the major activities of the Group; xiv. approval of major borrowing or giving of security over assets; xv. approval of material agreements/contracts; xvi. approval of changes in the financial year end; xvii. approval of changes to the management and control structure within the Group, including key policies and procedures, limit of authority, etc; xviii. approval for major write-off and provision in excess of prescribed amount as may be determined from time to time; xix. approval for granting of power of attorney and legal representative by the Company and its subsidiaries; xx. approval for entering into of any indemnities or guarantees by the Company and its subsidiaries; xxi. review and recommend for the alteration of the Constitution of the Company; xxii. review and recommend for the proposed change of name; xxiii. review and recommend for the proposed shares buy-back scheme and to implement shares buy-back scheme as approved by shareholders; xxiv. review and approve any other major/material business decision and to recommend the same to shareholders for approval, if applicable; xxv. any matters requiring the convening of a general meeting of shareholders or any class of shareholders; and xxvi. any matters as may be required by the applicable laws and regulations. • Governance structure - defines the reporting structure of the Board and Board Committee. • Roles Profile – defines and clearly separates the roles and responsibilities of the Board, the Board Committees, the Chairman, the Group Managing Director, the Senior Independent Director and the Company Secretary.
--	--

- **Board Committees** - Terms of Reference of respective Board Committees established to be approved by the Board with Chairman of respective Board Committees to report to the Board on the outcome of the Board Committee meetings and minutes to be made available to the Board. The Board has established AC, NC, RC and RMC.
- **Independent Director** – 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.
- **Appointment and Re-appointment** – defines the requirements on appointment and re-appointment of Directors of the Company.
- **Director Remuneration** - specifies the assessment and recommendation of suitable remuneration packages for Directors and member of the Senior management by RC to be based on Board Remuneration Policy.
- **Authorities delegated to Management** – the Group Managing Director (including Executive Directors) is responsible for the observance of management authorities delegated by the Board.
- **Board Meetings** - specifies the frequency of board meetings, timeliness of board papers, invitation to the meetings of the Board and maintenance of minutes of meeting.
- **Directors' Training** – assesses the training needs based on the evaluation results by the NC to ensure that Directors have access to continuing education programmes relevant to the effective discharge of their fiduciary duties.
- **Directors Assessment/Board Evaluation** – 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 the NC.
- **Time commitments by Directors** – 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.
- **Access to information and Independent Advice** – 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.
- **Investor Relations and Shareholders Communication Policy** – specifies the policies adopted for investor relation and shareholder communication, including channels for communication.

	<ul style="list-style-type: none"> • General Meetings and Attendance - all Directors are required to attend the general meetings unless a valid reason, acceptable to the Board, is provided. Notice of the AGM shall be issued to shareholders at least 28 clear days prior to the meeting. • Financial Reporting – specifies the responsibilities of the AC and the Board in relation to the quality of annual financial statements, quarterly announcements and other announcements and their compliance with relevant laws and regulations. 	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	: Applied
Explanation on application of the practice	<p>The Code of Conduct ("The Code") of the Company has been updated and reviewed by AC, as well as approved for adoption by the Board on 24 August 2023. The Code is made available at "Others" section of the "News" tab of the corporate website at www.ksl.my.</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 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, the 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> <ol style="list-style-type: none">i. Respecting Others – Unlawful discrimination; working hours; wages and benefits; humane treatment; communication; continuous development.ii. Serve Our Customers – Serving the customer with integrity; competency; punctuality and good time management, handling and safeguarding of customers assets.iii. Avoiding Conflict of Interest – Business Integrity; no improper advantage; disclosure of information; fair business, advertising and competition.iv. Preserve Confidentiality and Privacy - Upholding highest standard in the preservation of confidentiality and privacy.

	<p>v. Safety and Health - Ensuring working environment are maintained safely, healthy and environmentally friendly.</p> <p>vi. Sustainable Business Practices - Commitment to economic, environmental and socially responsible</p> <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 Related Party Transaction and Conflict of Interest Policy and Procedures have 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 the Related Party Transactions and Conflict of Interest Policy and Procedures is available for download at “Others” section under the “News” tab of the corporate website at www.ksl.my.</p> <p>Furthermore, a formal Group Anti-Bribery and Anti-Corruption Policy has been put in place by the Board to prevent the risk of bribery within the Group. The Group Anti-Bribery and Anti-Corruption Policy is accessible at “Others” section under the “News” tab of the corporate website at www.ksl.my.</p>
<p>Explanation for departure</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>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board encourages employees and other stakeholders to raise concerns about illegal, unethical or improper business conduct within the Group. The Whistle-Blowing Policy provides a confidential mechanism for reporting of any concern about possible improprieties related to financial reporting, compliance and other malpractice. The identity of the whistle-blower shall be kept confidential and such whistle-blower shall also be protected against reprisal for disclosing any improper conduct committed or to be committed.</p> <p>The Whistle-Blowing Policy is administered by AC. The email address of the AC Chairman (ac@ksl.my) is made available in the policy for reporting of any malpractices or improper conducts of the Group’s businesses. During the financial year, the AC did not receive any complaints or whistle-blowing cases.</p> <p>The latest applicable Whistle-Blowing Policy was reviewed by AC and approved by the Board on 24 August 2023. It is subject to review by the AC and the Board from time to time. The Whistle-Blowing Policy can be accessed via the “Others” section under the “News” tab of the corporate website at www.ksl.my for ease of access for reporting by employees and other stakeholders of the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>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 at frequent intervals in order to promote good sustainability practices throughout the Group. Besides, the Board is also responsible for setting the corporate values, objectives, goals and strategic plan as well as deliberating, approving and monitoring 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 component of sustainability, i.e. economic, environmental and social, are specified clearly to act as the foundation of sustainability management of the Group.</p> <p>The 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, AC (as the governance oversight function), RSMC, 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 are embedded with sustainability considerations. Meanwhile, AC is delegated with the task of 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> <ol style="list-style-type: none">i. To oversee the implementation by RSMC of sustainability strategy approved by the Board;ii. To review the process and results of sustainability matters identification, assessment and management conducted by RSMC;

	<ul style="list-style-type: none"> 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; iv. To review the need to conduct full sustainability review by RSMC; 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; vi. To oversee the overall management of stakeholder engagement; vii. To oversee the identification of the material sustainability matters’ indicator and establishment of the target and the review of sustainability disclosures as required by laws and/or rules, and recommending it for the Board's approval; and viii. To direct the internal and external assurance function of the Group in relation to sustainability management and ensure the adequacy of the resources and competency of the assurance functions. <p>On the other hand, RSMC 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 include but not limited to the following:-</p> <ul style="list-style-type: none"> i. To lead and implement the process of sustainability matters identification, assessment and management and devising appropriate action plans in cases where sustainability issues are not adequately or effectively addressed and communicate proposed action plans to the Heads of Department/Division; ii. To conduct periodic reviews 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 AC; iii. To manage stakeholder engagement for input for assessment and communication of results of review and response; and iv. To implement the material sustainability matters’ indicator and the target and monitoring thereof and the preparation of sustainability disclosures as required by laws and/or rules, and to report the AC for review; v. To oversee the Heads of Department/Division in the implementation of systems of sustainability management; vi. To update AC 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; and vii. To ensure relevant sustainability trainings are provided for appropriate level of employees to cultivate a positive attitude and promote correct approach toward sustainability management. <p>The Sustainability Policy specifies the sustainability matters assessment and prioritisation process (including seeking feedback from stakeholders via stakeholders engagement methods established), criteria used in such assessment, review standings and formulation of</p>
--	--

	<p>responses. The results and responses of the sustainability assessment are fed into the risk management process of the Group for its continuous monitoring per the Group Risk Management Policy established.</p> <p>RSMC is required to present to the AC and the Board for its review of the sustainability management and stakeholder engagement activities performed, the material sustainability matters identified, sustainability strategies and targets established and the 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>Explanation for departure</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>Measure</p>	<p>:</p>	
<p>Timeframe</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.

Application	:	Applied
Explanation on application of the practice	:	<p>Pursuant to the practices adopted by the Group, communications with interested stakeholders are achieved through various means, including:</p> <ul style="list-style-type: none">• establishing communication channels available at all times for stakeholders to provide feedback including complaints (including the contact number and email address provided on the Company's website);• conducting engagement forum/ townhall sessions;• meeting and interview with institutional investors, analysts, media and other stakeholders when necessary;• press release; and• Sustainability Statement published in the Annual Report. <p>In particular, the 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 the Sustainability Reporting Guide issued by Bursa Malaysia Securities Berhad.</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>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<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 that affect the interests of the stakeholders. On the other hand, the RSMC is tasked to conduct periodic reviews of all sustainability matters affecting the Group and the adequacy of the response(s) formulated and implemented with updates to AC at scheduled intervals or as and when required due to changes 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 RSMC for decision should the existing controls evaluated are deemed ineffective, inadequate or non-existent.</p> <p>Hence, with such a monitoring mechanism as part of the required responsibilities of the RSMC and the Heads of Department/Division, the AC and the Board are kept informed by the RSMC 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. At times, pertinent questions were raised by the members of the Board during the meetings of the Board on the prevailing sustainability issues faced by the Group due to the changes in the internal or external business environment in order to seek feedback from the Executive Directors on the responses implemented or formulated to address such risks.</p> <p>Members of the Board made up of senior executives and professionals in the fields of property development, hospitality, business management, education, auditing, accountancy, taxation 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. The knowledge of sustainability management was supplemented by the trainings attended by the Executive Directors. With such backgrounds, the members of the Board are able to contribute to the timely identification of changes in sustainability risks or the emergence of new sustainability risks, to ensure adequate response(s) formulated to</p>

	address such risks and to continuously improve the maturity of the sustainability management within the Group.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<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 affect the interests of the stakeholders. Besides, the RSMC is required to conduct periodic reviews of all sustainability matters affecting the Group and the adequacy of the response(s) formulated and implemented with updates to the AC at scheduled intervals or as and when required due to changes in the 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 RSMC for decision should the existing controls evaluated are deemed ineffective, inadequate or non-existent.</p> <p>Therefore, any updates on the Company's material sustainability and opportunities will be timely reported by the RSMC to the AC and the Board to enable them to evaluate the existing and any other potentially relevant sustainability risks and make informed decisions. Such updates on material sustainability and opportunities form the basis of performance evaluation on the Senior Management and the Board in relation to sustainability management.</p>
		As above.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>NC is responsible to review and consider the appointment and re-appointment of the members of the Board of the Company and to recommend to the Board for consideration and decision. This process is guided by the <i>Policy and Procedure on Nomination and Selection of Director, Fit and Proper Policy, Board Charter and Terms of Reference of NC</i>. NC also assesses the performance of the Directors of the Company on an ongoing basis as well as overseeing the succession planning and talent management for the Board and Senior Management of the Group.</p> <p>On March 2024, NC 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 Director (including the Chairman of the Board). Based on the results of the assessments, NC was satisfied with the composition of the Board and Board Committees, the boardroom diversity as well as the mix 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, Article 93 of the <i>Constitution</i> and Paragraph 1.3 of the <i>Board Charter</i>, 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. Additionally, per Chapter 7.22 of the MMLR, Article 99 of the <i>Constitution</i> and Paragraph 1.3 of the <i>Board Charter</i>, any director appointed to fill up a casual vacancy of the Board or as an addition to the Board shall retire at the forthcoming AGM but remain eligible for re-election.</p> <p>During the same meeting, NC reviewed the performance of Directors to be retired at the Twenty-Fourth Annual General Meeting ("24th AGM"). Based on the outcome of the NC'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. Ku Hwa Seng, Mr. Pang Ah Kow, Ms. Tan Swee Geok, Ms. Khoo Lee Feng, Ms. Ku Ek Mei and Mr. Tan Kai Seng at the 24th AGM.</p>

	<p>Furthermore, NC also reviewed and assessed the independence of the Independent Non-Executive Directors (“INEDs”) through fulfilment of the criteria under the definition of Independent Director as per MMLRs of Bursa Malaysia Securities Berhad, including the consideration of the INEDs’ tenure of service. The NC took note that the tenure of an INED should not exceed a cumulative term of nine (9) years. If the Board intends to retain an INED beyond 9 years, justification should be provided by the Board and approval from shareholders shall be sought at AGM via two-tier voting process pursuant to Practice 5.3 of MCGG.</p> <p>Based on the results of individual director’s performance assessment, independence assessment and independence declaration obtained from all INEDs, NC was satisfied with the performance and contributions as well as independence and objectivity of Mr. Pang Ah Kow, Ms. Tan Swee Geok and Ms. Wong Lee Lee in discharging their duties as INEDs of the Company and believed that they would continue to contribute independent and objective judgement during the Board and Board Committees meetings.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>As of the date of this report, the Board comprises nine (9) members, including one (1) Executive Chairman, five (5) Executive Directors (including the Group Managing Director) and three (3) INEDs. While it does not meet the requirement of having half of its Board composed of INEDs, current composition fulfills the requirements of MMLR 15.02(1), which mandates that at least 2 directors or 1/3 of the Board, whichever is higher, must be INEDs.</p> <p>The Board consists of qualified directors with diverse experience, background and knowledge in the areas of property development, hospitality, business management, education, auditing, accounting, taxation and management consultancy. INEDs are made up of professionals in the fields of education, auditing, accounting, taxation and management consultancy.</p> <p>In order to ensure independent and objective judgement are brought to the Board's deliberation by genuine independency of INEDs and to ensure conflict of interest or undue influence from interested parties is well taken care of, the Board is committed to ensure the independence of INEDs via independence assessment performed by NC prior to their appointment based on formal nomination and selection process. The results of the review are then reported to the Board for consideration and decision-making.</p> <p>The appointment, re-appointment and independence assessment of INEDs are governed by the Fit and Proper Policy, the Policy and Procedure on Nomination and Selection of Director and the Policy on Independence Assessment of Independent Directors established by the Board.</p> <p>Furthermore, the NC obtained independence declaration from all three (3) INEDs as part of the independence assessment process prior to appointment, and to ensure that their independence and objectivity are present and potential areas of conflict that may impair the independence of INEDs have been resolved, if any.</p>

	<p>The independent element within the Board is reinforced through the adoption of Step-Up Practice 9.4, whereby AC comprises exclusively INEDs, thereby enhancing independence and objectivity of the Board’s oversight function.</p> <p>With the above, despite the departure from the Practice 5.2, the Board strongly believes that the independence element within the Board continues to be preserved and that independence and objectivity are asserted during the deliberations and decision-making processes at the Board and the Board Committees’ meetings.</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>Measure</p>	<p>:</p>	<p>Please explain the measure(s) the company has taken or intend to take to adopt the practice.</p>
<p>Timeframe</p>	<p>:</p>	<p>Choose an item.</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.

Application	:	Applied	
Explanation on application of the practice	:	As of the date of this Report, all INEDS (i.e. Mr. Pang Ah Kow, Ms. Wong Lee Lee and Ms. Tan Swee Geok) appointed on 1 December 2022, have served the Company's Board for less than nine (9) years.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The appointment of a new Director to the Board or Board Committee is recommended to the NC for consideration and subsequently approved by the Board, in accordance with the Fit and Proper Policy, the Policy and Procedure on Nomination and Selection of Director, the Policy on Independence Assessment of Independent Directors (for appointment of INED) and the Board Charter.</p> <p>As part of the nomination and selection process, the NC reviews the recommendations and appointments of Directors with due regard to the suitability of the candidates for the Board in light of the skillset and knowledge requirements and boardroom diversity in the context of the Group. In particular, the NC ensures that the candidates possess the following criteria: -</p> <ol style="list-style-type: none">i. Relevant qualifications;ii. Skills and competence;iii. Functional knowledge;iv. Relevant experience;v. Professional background and character;vi. Integrity and professionalism; andvii. Time commitment. <p>In addition, NC is responsible for ensuring that candidates nominated for appointment to the Board possess the required probity, personal integrity, reputation, financial integrity, experience and competency as well as able to devote adequate time to discharge his/her roles and responsibilities as Director in accordance with the Fit and Proper Policy established.</p> <p>A copy of the Fit and Proper Policy can be found in the "Others" section under the "News" tab of the corporate website at www.ksl.my.</p> <p>The nomination/recruitment of new director process practised by the NC is as follows:</p> <ol style="list-style-type: none">i. Identification of candidates by developing a pool of potential candidates for consideration;

	<ul style="list-style-type: none"> ii. Evaluation on the suitability of candidates; iii. Interview shortlisted candidates and background check; iv. Final deliberation by the NC; and v. Recommendation to the Board. <p>In accordance with the Board Charter, candidates for new directorships 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 mechanisms.</p> <p>At present, no active politician has been appointed as a member of the Board of the Company and its subsidiaries.</p> <p>As for the re-appointment of Directors, the following processes are practised by the NC before making recommendations to the Board for consideration and seeking approval from shareholders at the AGM:</p> <ul style="list-style-type: none"> 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, teamwork, public relations and relationship with Board members) the Board requires for it to function independently and efficiently; ii. Independence assessment for INEDs (through the fulfilment of criteria under the definition of Independent Directors as per MMLRs of Bursa Malaysia Securities Berhad; iii. Final deliberation by NC; and iv. Recommendation to the Board. <p>The recommendation of re-appointment of Directors during the 24th AGM was subjected to the above re-appointment process performed by NC before recommendation to the Board for its consideration and decision before recommendation to the shareholders, and the 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 shareholders based upon satisfactory results of performance evaluation and independence assessment (for INEDs) of such Directors by NC.</p> <p>The Terms of Reference of NC and the Board Charter are available under the “Others” section of the “News” tab on the corporate website at www.ksl.my.</p>
<p>Explanation for departure :</p>	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.6

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

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Based on paragraph 1.3 of the Board Charter, the Board shall endeavour 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 recommendations by other professionals and open search.</p> <p>All existing Directors of the Company were nominated based on the recommendations of the Board members and major shareholders without seeking input from independent sources.</p> <p>While the appointment of Directors did not involve independent sourcing but rather relied on internal recommendations by the Directors and major shareholders, the Board ensures that the nomination, selection, and appointment of existing Board Members undergo a thorough and transparent process.</p> <p>In appointing an appropriate individual to the Board, the NC shall first consider and recommend to the Board the suitable candidate for directorship taking into consideration the required character, experience, integrity, competence and time based on a prescribed set of criteria as set out in the Fit and Proper Policy, the Policy and Procedure on Nomination and Selection of Director, the Policy on Independence Assessment of Independent Directors and the Board Charter. The candidates will only be recommended by the NC to the Board for review and final decision on their appointment as Directors after the NC is satisfied with the results of the assessments performed based on the above policies (including satisfactory results of fit and proper assessment via the Fit and Proper Declaration Form, due diligence check and independence assessment (applicable to appointment of INEDs)).</p>

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	: Choose an item.

Intended Outcome

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

Practice 5.7

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

Application	: Applied
Explanation on application of the practice	<p>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 are disclosed in the Director's Profile section of the Annual Report.</p> <p>In order to facilitate the informed decision by the shareholders in relation to the re-appointment of Directors during the AGM, disclosures as below are made in the explanatory notes of the Notice of AGM:</p> <ul style="list-style-type: none">i. on the details of interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect, independent judgement to be brought to the Board by such directors and judgement by such directors to act in the best interests of the Group; andii. 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>Furthermore, following the provisions outlined in the Board Charter, Directors seeking re-appointment are required to abstain from participating in the review, assessment, discussion, and decision-making process concerning their re-appointment during meetings. The re-appointment process entails thorough scrutiny, including fit and proper checks, conflict of interest assessments, independence evaluations (for INEDs), and performance evaluations conducted by the NC. Following these evaluations, the NC recommends the re-appointment to the Board for review. Subsequently, the Board presents its recommendations to the shareholders for approval during the AGM.</p> <p>Based on the above process and satisfactory assessment results, the Board is of the opinion 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</p>

	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 impaired through relationship with the Company and the Executive Directors.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	: Applied
Explanation on application of the practice	<p>The NC is chaired by an INED, Ms. Tan Swee Geok, in accordance with the Terms of Reference of NC which stipulates that the Chairperson of the NC shall be an Independent Director.</p> <p>The Chairperson of NC reported to the Board on the outcome of the committee meeting during the financial year under review.</p> <p>During the financial year ended 31 December 2024, the NC, led by the Chairperson, conducted reviews on the performance of the Board, Board Committees, AC (including members), Chairman of the Board, individual Directors, and the independence of Independent Directors, and reported the results of the review to the Board for deliberation.</p> <p>NC shall:</p> <ul style="list-style-type: none">a) Be appointed by the Board from among the members of the Board,b) Consist not less than three (3) members,c) Consist exclusively of Non-Executive Directors with majority being INED, andd) Elect either an INED or Senior Independent Director identified by the Board as the Chairman of NC. <p>As included in the duties of NC enlisted in the Term of Reference of NC, the NC, which is led by the Committee Chairperson, are responsible for the followings, inter-alia:</p> <ul style="list-style-type: none">(a) Recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board. In making its recommendations, NC should consider the candidates' skills, knowledge, expertise, experience, professionalism and integrity; and(b) for the position of INEDs, NC should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from INEDs.(c) Consider in making its recommendations, candidates for directorship proposed by the Chief Executive Officer/Managing Director and, within the bounds of practicability, by any other senior executive or any director or shareholder.(d) Recommend to the Board, directors to fill seats on Board Committees.(e) Assess the effectiveness of the Board as a whole.(f) Assess the effectiveness of the committees of the Board.

	<p>(g) Assess the contribution of each individual director.</p> <p>(h) Review and recommend to the Board the required mix of skills and experience and other qualities the Board requires in order to function independently and efficiently.</p> <p>(i) Develop and review the criteria used for the selection process of new directors and annual assessment of the board, board committees and individual directors.</p> <p>(j) Formulate a policy on Board composition including mix of skills, independence and diversity (including gender diversity).</p> <p>(k) Assess the independence of the Directors annually who have served on the Board for a cumulative term of more than nine (9) years for appointment or otherwise.</p> <p>(l) Recommend to the Board for continuation of the service of Executive and Non-Executive Directors who are due for retirement by rotation.</p> <p>(m) Assess and recommend to the Board, the continuation of terms of office of INEDs in compliance with MCCG.</p> <p>(n) Review the training and professional development programmes for the Board.</p> <p>(o) Develop succession plans in order for the Board and senior management to maintain appropriate experience, expertise and diversity (including gender diversity).</p> <p>(p) Consider gender diversity generally when making appointments to the Board.</p> <p>The Board Charter and the Terms of Reference of NC are accessible under the “Others” section of the “News” tab on the corporate website at www.ksl.my.</p>
<p>Explanation for departure</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>Measure</p>	<p>:</p>
<p>Timeframe</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.

Application	:	Applied	
Explanation on application of the practice	:	<p>Presently, the Board of the Company comprises nine (9) members, of which four (4) are female directors, accounting for 44.4% of the total board composition.</p> <p>Among the female directors serving on the Board are Ms. Wong Lee Lee and Ms. Tan Swee Geok, who were appointed on 1 December 2022, as INEDs. Additionally, Ms. Khoo Lee Feng and Ms. Ku Ek Mei were appointed as Executive Directors of the Company on 1 January 2024.</p> <p>The appointment of these female directors reflects the Board's commitment to promoting gender diversity. The Board prioritises supporting the representation of women both on the Board and at senior management level, provided suitable candidates are available.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board advocates for diversity in age, ethnicity, and gender within the Group, including the workplace. It believes that the appointment of Board members and Senior Management should be based on the merit of the candidates and the necessary mix of knowledge, skills, expertise, and experience to enhance the Group. Gender consideration is not the sole determining factor in appointments.</p> <p>Nonetheless, the Board is committed to appointing women directors to the Company's Board and members of Senior Management who demonstrate suitability, competence, and capability. This commitment extends to ensuring diversity in skills, experience, age, and cultural background among candidates.</p> <p>The current composition of the Board reflects its efforts to promote gender diversity. Presently, the Board comprises 4 women Directors out of a total of 9 members, accounting for 44.4% of the Board. Additionally, two women directors hold positions in Senior Management at subsidiaries, aligning with the Group's practices regarding gender diversity at both the Board and Senior Management levels. Detailed profiles of the women directors can be found in the Profile Section of the Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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.

<p><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></p>	
<p>Application</p>	<p>: Applied</p>
<p>Explanation on application of the practice</p>	<p>: In line with the Board Charter and the Terms of Reference of NC, a detailed assessment is undertaken annually to review the effectiveness of the Board, the Chairman of the Board, the Board Committees including the AC, the contribution of each individual Director, and the independence assessment of the INEDs. The assessment forms and criteria are reviewed in detail by the NC and approved by the Board. The objectives of the assessment are to assess the discharge of roles and responsibilities by the Directors, any areas for improvement, any areas that need more attention, and to assess the overall effectiveness of the Board, its Committees and individual Directors. The Company Secretary facilitates this process, while the Chairman of the NC supervises the entire process to ensure its proper execution.</p> <p>The usual process for the annual assessment (“Assessment”) commenced in the fourth quarter of each year. The NC reviewed the results and reported the outcome of the Assessment to the Board.</p> <p>The following evaluations and assessments were carried out by NC during the financial year under review: -</p> <ul style="list-style-type: none"> i. The Board and Board Committees’ performance evaluation was conducted via “<i>Performance Evaluation for Board and Board Members Form</i>” 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. ii. In addition, review of the character, experience, integrity, competence and time commitment of individual Directors per Paragraph 2.20A of MMLRs was performed through

“Performance Appraisal Form: Individual Director Form”, whereby the integrity, professionalism, business knowledge, industry knowledge, meeting attendance, meeting preparation, board participation, business planning contribution, relationship with board members, public relation and teamwork are assessed.

iii. As an important independent element within the Board, individual INEDs performed self-assessment of his/her 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, INEDs 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 INED via *“Declaration of Interest Form”*. The results of above self-assessment of INEDs and declaration of interests by INEDs were submitted to the NC for review and reporting to the Board.

iv. Apart from that, the AC 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 AC 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 Corporate Governance Report for the details.

The Company Secretary circulated to each Director the relevant evaluations and assessment 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 NC and the Board in order for the Company Secretary to collate the evaluations and assessments/ review results for the NC to review and report to the Board.

	<p>With the above evaluations/review processes, the Board, through the NC, reviewed and assessed its required mix of skills, experiences and other qualities, including core competencies which the 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. Such assessments are conducted using the <i>"Board Skills Matrix Form"</i>.</p> <p>The above assessments and evaluations were conducted by the NC 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 (including the Chairman of the Board and the Finance Director) 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 the AC and its members, the Board was of the opinion that the AC and its members have carried out their duties in accordance with their terms of reference in accordance with the MMLRs.</p>	
Explanation for departure		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure		
Timeframe		

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of the Company assumes overall responsibility for establishing and implementing an effective remuneration policy for the members of the Board. The Remuneration Policy for Directors ("Remuneration Policy") was last reviewed and approved by the Board on 24 August 2023. The responsibility for implementation of the Remuneration Policy is delegated to the RC by the Board. The Policy will be reviewed by the RC at least once every three (3) years, or as and when necessary, with any proposed revisions to be recommended to the Board for deliberation and approval.</p> <p>The Remuneration Policy outlines the principles and framework for determining the remuneration of Directors, ensuring that the remuneration structure supports the Company's strategic objectives and long-term growth while complying with the MMLRs of Bursa Malaysia Securities Berhad and the principles set out in the MCGG.</p> <p>The Remuneration Policy also sets out the guiding principles for determining Directors' remuneration to ensure fairness, transparency, and alignment with the Company's strategic objectives. Specifically, Directors' remuneration shall be:</p> <ul style="list-style-type: none">• Aligned with the terms and conditions stipulated in service contracts for Executive Directors;• Evaluated annually based on individual contributions and overall Board performance;• Linked to the Company's financial and non-financial performance;• Commensurate with the scope of responsibilities, associated risks, and prevailing market benchmarks; and• Transparent and subject to shareholder approval, where applicable.

The RC assesses the Executive Directors' proposed remuneration packages so as to recommend the same to the Board for approval. The Executive Directors shall be abstained from participating in the discussion with respect to their remuneration packages. Executive Directors who are shareholders and controlling shareholders with a nominee or connected Director on the Board shall be abstained from voting at general meetings to approve fees and benefits in relation to such interested Director.

The principal components of remuneration for the Executive Directors consist of fixed and variable remunerations and other customary benefits as follows:

- Fixed Remuneration - Salary, fixed allowances, and benefits as stipulated in the individual's service contract, which is determined based on his/her knowledge, skills, competency, experience and responsibilities assigned, and shall subject to annual review by the RC taking into consideration, including but not limited to, the performance and contribution of respective Executive Directors.
- Variable compensation – Performance-based bonuses or incentives, assessed annually based on the Company's performance (financial results, operational efficiency, ESG metrics), individual Director performance and recommendation from the NC and RC.
- Other entitlements – Benefits-in-kind, retirement benefits (if applicable), and provisions under employment contracts.

In order to ensure Executive Directors and members of Senior Management are rewarded based on their performance, it is the requirement under the **Terms of Reference of RC** that NC to integrate the performance assessment into its recommendations to the Board regarding the proposed remuneration for Directors and Senior Management. Nonetheless, remuneration package of Executive Directors and Senior Management shall not include an element of commission or percentage of turnover, as stated in the **Board Charter**.

The remuneration of Non-Executive Directors ("NEDs"), including INEDs, is determined based on a fixed fee structure that reflects their experience, skills, responsibilities, and time commitment to the Board and its Committees. NEDs are remunerated through directors' fees and meeting allowances, and are not entitled to performance-based bonuses, share options, or any form of commission or profit-linked incentives.

All proposed directors' fees and benefits for NEDs are reviewed by the RC and recommended to the Board for approval, prior to being tabled for shareholders' approval at the AGM. The determination of NEDs' remuneration is a matter for the full Board, with the individual directors concerned abstaining from discussions and decisions on their own remuneration.

	<p>The fees are benchmarked against industry peers and are not directly linked to the financial performance of the Group. Directors who are shareholders or controlling shareholders, and who have a nominee or connected Director on the Board, also abstain from voting on resolutions pertaining to their own remuneration at the general meetings.</p> <p>Directors' fees for NEDs and any other allowances payable to Executive Directors and NEDs are subject to the approval of shareholders at the AGM.</p> <p>It is also the Board's practice that the remuneration packages for members of Senior Management are determined based on their experience, scope of responsibilities, and individual performance.</p> <p>Please refer to "Others" section of the "News" tab on the corporate website at www.ksl.my for the Remuneration Policy, the Terms of Reference of RC and the Board Charter.</p> <p>RC held a meeting during the financial year ended 31 December 2024 to review the director fees and benefits for Non-Executive Directors, as well as the remuneration packages for Executive Directors. The committee subsequently presented its recommendations on director fees and remuneration packages to the Board for approval and for further recommendation to shareholders during the AGM.</p>		
<p>Explanation for departure</p>	<p>: Please provide an explanation for the departure.</p> <hr/> <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>Measure</p>	<p>: Please explain the measure(s) the company has taken or intend to take to adopt the practice.</p>		
<p>Timeframe</p>	<p>: <table border="1" style="width: 100%; height: 40px;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%;"></td> </tr> </table></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.

Application	:	Applied
Explanation on application of the practice	:	<p>RC was formed to assist the Board in determining, developing and recommending an appropriate remuneration policy and remuneration package for Directors, with the aim of attracting, retaining and motivating individuals of high calibre. The RC reviews the proposed fees and remuneration packages for Directors, as well as the proposed remuneration packages of senior management annually.</p> <p>As at the financial year ended 31 December 2024, the RC comprised of three (3) INEDs, in compliance with the Terms of Reference of RC and the requirements of the MCGG, which stipulates that RC shall consist solely of Non-Executive Directors, with a majority being INEDs.</p> <p>RC is governed under clearly defined Terms of Reference which states its duties and authority. The Terms of Reference of RC is published under the "Others" section of the "News" tab on the corporate website at www.ksl.my.</p> <p>It is the ultimate responsibility of the entire Board to approve the remuneration of Executive Directors based on the review and recommendation from the RC. 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 the AGM before payment.</p> <p>Interested Directors shall abstain from deliberating and approving their own remuneration during the motion to deliberate and approve their remunerations. In addition, any Director who is a shareholder and a controlling shareholder with a nominee or connected Director on the Board shall abstain from voting at general meetings on the resolution to approve the remuneration to be paid to such interested Directors.</p>

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

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The 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 Cheng Hai	Executive Director	0	0	60	0	0	11	71	0	60	821	6,945	0	1,488	9,314
2	Ku Hwa Seng	Executive Director	0	0	60	0	0	11	71	0	60	821	6,945	0	1,488	9,314
3	Ku Tien Sek	Executive Director	0	0	60	0	0	11	71	0	60	821	6,945	0	1,488	9,314
4	Khoo Lee Feng	Executive Director	0	15	0	0	0	0	15	0	15	190	2,368	0	308	2,881
5	Ku Ek Mei	Executive Director	0	15	0	0	0	0	15	0	15	121	2,085	0	266	2,487
6	Tan Kai Seng	Executive Director	0	15	0	0	0	0	15	0	15	248	189	0	54	506
7	Pang Ah Kow	Independent Director	30	5	0	0	0	0	35	30	5	0	0	0	0	35
8	Tan Swee Geok	Independent Director	30	5	0	0	0	0	35	30	5	0	0	0	0	35
9	Wong Lee Lee	Independent Director	30	5	0	0	0	0	35	30	5	0	0	0	0	35
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure							
Explanation on application of the practice	:								
Explanation for departure	:	<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.</p> <p>A summary of remuneration packages of the top Senior Management team of the Company during the FYE 31 December 2024 was as follows:</p> <table border="1" data-bbox="558 1227 1407 1377"> <thead> <tr> <th>Range of Remuneration</th> <th>No. of members of Senior Management</th> </tr> </thead> <tbody> <tr> <td>RM 200,001 to RM 250,000</td> <td>1</td> </tr> <tr> <td>RM 2,000,001 to RM 2,500,000</td> <td>1</td> </tr> </tbody> </table> <p>The Board has deliberated on the implications of disclosing the remuneration details, categorised in RM50,000 bands, for individual members of Senior Management. Consequently, in order to safeguard against potential risks to the personal security of these individuals and mitigate the threat of losing key personnel, it is imperative for the Board to formulate mitigation plans before proceeding with the compliance of this requirement.</p>		Range of Remuneration	No. of members of Senior Management	RM 200,001 to RM 250,000	1	RM 2,000,001 to RM 2,500,000	1
Range of Remuneration	No. of members of Senior Management								
RM 200,001 to RM 250,000	1								
RM 2,000,001 to RM 2,500,000	1								
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>									
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.							
Timeframe	:	Choose an item.							

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company complied with the requirement that the Chairman of AC 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, AC was chaired by INEDs (i.e. by Mr. Pang Ah Kow) while the Chairman of the Board is Mr. Ku Hwa Seng.</p> <p>The Chairman of the AC, Mr. Pang Ah 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 was graduated with Bachelor of Commerce from University of Canterbury, Christchurch, New Zealand and is a fellow member of Malaysian Institute of Taxation as well as a member of Malaysian Institute of Accountants, Malaysia Institute of Certified Public Accountants and Chartered Accountants Australia and New Zealand. He is a sole proprietor 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 AC.</p> <p>An abstract of duties and responsibilities of the AC as stated in the Terms of Reference of AC, led by the Chairman, includes the followings:</p> <ol style="list-style-type: none">i. to review with the External Auditors their audit plan, their evaluation of the system of internal accounting and controls and their audit report;ii. to review the assistance given by the Company's employees to the External Auditors;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;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 or not appropriate action is taken on the recommendations of the internal audit function;v. to review the quarterly results and financial statements, prior to the approval by the Board of Directors, focusing particularly on:<ol style="list-style-type: none">a) changes in or implementation of major accounting policy changes;

	<p>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</p> <p>c) compliance with accounting standards and other legal requirements;</p> <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. such other functions as may be agreed to by AC and the Board of Directors; and</p> <p>x. meeting with External Auditors at least twice a year.</p> <p>The <i>Terms of Reference of AC</i> detailing the composition, authorities, duties and responsibilities are available for download from "Others" section of the "News" tab on the corporate website at www.ksl.my.</p> <p>A summary of activities of AC, led by the Chairman, are disclosed in the Annual Report's Audit Committee Report.</p>
<p>Explanation for departure :</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>Measure :</p>	
<p>Timeframe :</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 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	None of the current members of the AC is a former partner of the external audit firm (and its affiliate firms), unless they have completed a cooling-off period of at least three (3) years.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Based on the <i>Terms of Reference of AC</i>, the AC 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 the AC to consider the appointment or re-appointment of the external auditors, the audit fees and any questions of resignation or dismissal including recommending the nomination of person or persons as external auditors.</p> <p>Although the Company does not have a formalised policy on the assessment of the suitability, objectivity and independence of the external auditors, the AC obtained from the external auditors, prior to the commencement of the audit engagement and upon the conclusion of the audit engagement, a 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 impair their independence.</p> <p>The AC and the Board are committed to ensure the suitability and independence of the 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 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 AC, whereby the partner’s introduction, audit plan, planned audit scope, materiality, group audit scoping, significant risks and areas of audit focus, internal control plan, involvement of internal auditors, timing of audit, responsibilities of external auditors and the AC, independence policies and procedure, awareness over climate-related risks, technical updates, the independence alert related to revised provisions on auditor independence standards, as well as proposed audit fees were tabled to the AC for review.</p> <p>The external auditors confirmed to AC on their independence throughout the audit engagement and that they are not aware of any relationship between the Group and them that may reasonably to impair their independence. Besides, the AC also reviewed and evaluated the suitability, objectivity and independence of the external auditors via an evaluation form.</p> <p>In addition, AC met privately once 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>Despite lacking a formalised policy guiding the process of assessment of the suitability, objectivity and independence of the external auditors, an assessment of the performance, suitability and independence of the external auditors was performed by AC during the financial year under review using “<i>External Auditor Performance and Independence Checklist</i>”. The evaluation criteria include calibre, quality processes and performance, knowledge and skill set of audit team, independence and objectivity (including non-audit services), audit scope and planning, audit fees (including non-audit fees) and audit communication.</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 <i>Terms of Reference of AC</i> and the engagement letter, the AC 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 or to be sought at the AGM.</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>Measure</p>	<p>: Please explain the measure(s) the company has taken or intend to take to adopt the practice.</p>
<p>Timeframe</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.

Application	:	Adopted
Explanation on adoption of the practice	:	At present, AC comprises solely of INEDs. The details of the members of the AC are disclosed in the corporate information and the Directors' Profile 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.

Application	:	Applied												
Explanation on application of the practice	:	<p>The members of AC consist of members who have a wide range of necessary skills to discharge its duties, i.e. experiences in accounting, auditing, taxation and education. All AC members are financially literate, through their education pursued and working experiences. The details of the experiences and education qualification of the members of AC are disclosed under the section of Directors' Profile in the Annual Report.</p> <p>During the financial year ended 31 December 2024, the members of AC undertook continuous professional development(s) as required by the respective professional bodies and trainings that are identified by the Board. The trainings attended by individual members of AC are shown in the following table:</p>												
		<table border="1"><thead><tr><th>Member of Audit Committee</th><th>Name of Conference/Talk/Seminar Attended or Participated</th><th>Organiser</th></tr></thead><tbody><tr><td rowspan="4">Pang Ah Kow</td><td>Anti-Bribery and Anti-Corruption Training</td><td>AI Smartual Learning Sdn Bhd</td></tr><tr><td>MIA Webinar Series : Audit Quality Enhancement Programme for SMPs</td><td>Malaysian Institute of Accountants</td></tr><tr><td>Case Study-Based MFRS Webinar: Key MFRS Standards – Underlying Principles and Applications</td><td>Malaysian Institute of Accountants</td></tr><tr><td>MIA International Accountants Conference 2024 – Navigating New Frontiers, Embracing Sustainability</td><td>Malaysian Institute of Accountants</td></tr></tbody></table>	Member of Audit Committee	Name of Conference/Talk/Seminar Attended or Participated	Organiser	Pang Ah Kow	Anti-Bribery and Anti-Corruption Training	AI Smartual Learning Sdn Bhd	MIA Webinar Series : Audit Quality Enhancement Programme for SMPs	Malaysian Institute of Accountants	Case Study-Based MFRS Webinar: Key MFRS Standards – Underlying Principles and Applications	Malaysian Institute of Accountants	MIA International Accountants Conference 2024 – Navigating New Frontiers, Embracing Sustainability	Malaysian Institute of Accountants
Member of Audit Committee	Name of Conference/Talk/Seminar Attended or Participated	Organiser												
Pang Ah Kow	Anti-Bribery and Anti-Corruption Training	AI Smartual Learning Sdn Bhd												
	MIA Webinar Series : Audit Quality Enhancement Programme for SMPs	Malaysian Institute of Accountants												
	Case Study-Based MFRS Webinar: Key MFRS Standards – Underlying Principles and Applications	Malaysian Institute of Accountants												
	MIA International Accountants Conference 2024 – Navigating New Frontiers, Embracing Sustainability	Malaysian Institute of Accountants												

	Wong Lee	Case Study-Based MFRS Webinar: A Review of Latest Developments in MFRS/MPERS	Malaysian Institute of Accountants
	Lee	2025 Budget Seminar	Malaysian Institute of Accountants
		MIA Webinar Series : Practical Implementation of Monitoring & Remediation Process for ISQM 1	Malaysian Institute of Accountants
		Anti-Bribery and Anti-Corruption Training	AI Smartual Learning Sdn Bhd
	Tan Swee Geok	Anti-Bribery and Anti-Corruption Training	AI Smartual Learning Sdn Bhd
<p>Apart from that, individual members of the AC 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 AC was performed via “<i>Audit Committee Evaluation Questionnaire</i>” 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 AC.</p> <p>Through the assessments conducted, the Board and the NC were of the opinion that the AC has the right mix of expertise, experience and skills and they have discharged their responsibilities and duties per the <i>Term of Reference of AC.</i></p> <p>Please refer to the Audit Committee Report in the Annual Report for the activities performed by the AC in accordance with the <i>Terms of Reference of AC.</i></p>			
Explanation for departure	:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board 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 levels of the Group and to manage key business risks faced by the Group adequately and effectively. Group Risk Management Policy specifies the structured risk management process, where each step of the risk and opportunity identification, evaluation, control identification, treatment and control activities are laid down for application by Risk and Sustainability Management Committee (“RSMC”) and Risk Owners. 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 RSMC while the RMC 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 within the Annual Report.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:		
------------------	---	--	--

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<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 RSMC and the Risk Owners, i.e. Heads of Department/Division.</p> <p>The risk assessment activities, conducted at both gross and residual levels, 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. The RSMC compiles key risk registers, identifies and rates relevant risks based on the agreed-upon criteria. The registers are then presented to the RMC and the AC for review and discussion regarding its adequacy and effectiveness. Finally, the results of such review are reported 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 AC.</p> <p>Please refer to the Statement on Risk Management and Internal Control in the Annual Report for 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>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:		
------------------	---	--	--

Intended Outcome

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

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

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Board has established the RMC, made up of three (3) Independent Directors and the Group Managing Director. The RMC 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>Further disclosures on the roles and responsibilities of the RMC are disclosed in the Statement on Risk Management and Internal Control of the Annual Report. The Terms of Reference of RMC is available for viewing and download from the "Others" section of the "News" tab on the corporate website at www.ksl.my.</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.

Application	:	Applied
Explanation on application of the practice	:	<p>AC 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 AC under the terms of the engagement letter and the Internal Audit Charter as well as per the Terms of Reference of the AC.</p> <p>In addition, the Terms of Reference of AC defines that the oversight role of AC in relation to the internal audit function includes the followings, inter-alia:</p> <ul style="list-style-type: none"> • 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; • To review the financial condition of the Group, its internal controls and audit programmes, the performance and findings of internal audit function and to recommend actions to be taken thereon by the management, and whether appropriate action is taken on the recommendations of the internal audit function. <p>During the financial year ended 31 December 2024, based on the internal audit plan reviewed by AC and approved by the Board for execution, the outsourced internal audit function has conducted internal control reviews on Procurement Management of KSL Esplanade Hotel and Mall and Facility Management of KSL Esplanade Mall of its key operating subsidiaries based in Malaysia. Upon the completion of the individual internal audit fieldworks during the financial year, the internal audit reports were presented to AC during its scheduled meetings.</p> <p>The oversight role of the AC and the activities taken by the AC on the internal audit function during the financial year are disclosed in Statement on Risk Management and Internal Control and the Audit Committee Report in the Annual Report, and the duties and responsibilities of the AC are set out in the Terms of Reference of AC which is available for download from the “Others” section of the “News” tab on the corporate website at www.ksl.my.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function of the Company is outsourced to an independent professional firm, NeedsBridge Advisory Sdn. Bhd. who reports directly to AC with unrestricted access to the Group’s employees and documents in the performance of their engagement.</p> <p>The audit engagement of the outsourced internal audit function is governed by two key documents: the engagement letter and the Internal Audit Charter. The engagement letter outlines the terms of engagement, including the purpose and scope of works, accountability, independence, responsibilities of both the outsourced internal audit function and management, authority granted to the outsourced internal audit function, limitations of scope, confidentiality, proposed fees, and the engagement team composition. The Internal Audit Charter, on the other hand, defines the purpose and mission of the internal audit function, its roles, required professionalism (including adherence to The Institute of Internal Auditors' mandatory guidance), authorities, reporting structure, independence and objectivity, responsibilities, purpose of the internal audit plan, reporting and monitoring mechanisms, as well as the quality assurance and improvement program. Both documents undergo review by the AC, which then makes recommendations 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 AC and the Board are satisfied:</p> <ul style="list-style-type: none"> • that the outsourced internal audit function is free from any relationships or conflicts of interest which could impair their objectivity and independence; • with the scope of the outsourced internal audit function; • 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

	<ul style="list-style-type: none"> with the internal audit plan, the processes, the results of the internal audit and/or investigation undertaken. <p>The details of the internal audit function and oversight role of the AC on the internal audit function are disclosed in the Statement on Risk Management and Internal Control as well as the Audit Committee Report, 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”), has a Certification in Risk Management Assurance (“CRMA”) accredited by the Institute of Internal Auditors Global (“IIA Global”), as well as a professional member of the Institute of Internal Auditors Malaysia (“IIAM”). The resources allocated to the fieldworks of the internal audits by the outsourced internal audit function were one (1) Assistant Manager, assisted by at least one (1) Senior Consultant and one (1) Consultant per audit engagement, with oversight performed by the Engagement Director of the outsourced internal audit function.</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 and the Audit Committee Report in the Annual Report for detailed disclosure on the outsourced internal audit function.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>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 www.ksl.my. 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 has designated an Executive 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 the 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>General Meetings serve as the primary platform for shareholder dialogue, where participation is both encouraged and facilitated. To enhance accessibility, the Group hosted its 24th AGM on 27 May 2024 through live streaming and online voting. During the AGM, sufficient time is allocated for shareholders to seek clarification or pose questions to the Board in real-time through the submission of typed texts, ensuring engagement on pertinent matters.</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’s website as well as the “News” section on the corporate website at www.ksl.my.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 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 29 April 2024 for the 24th AGM, scheduled to be held on 27 May 2024, was issued to shareholders 28 days prior to the meeting, in compliance with the minimum mandated period of 28 days required under this Practice, and exceeding the 21-day requirement under the MMLRs. The notice of the AGM was disseminated electronically (made available on Bursa Malaysia Securities Berhad's website and the Company's website) and advertised in a widely circulated English-language newspaper in Malaysia, ensuring broad visibility.</p> <p>Similarly, the Board is committed in providing the notice of the Twenty-Fifth Annual General Meeting ("25th 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">• Date, time and venue of the meeting;• 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; and• Notes on the voting rights and procedures for shareholders to exercise their rights to appoint proxy in relation to the general meeting.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
------------------	---	--	--

Intended Outcome

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

Practice 13.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 24th AGM, held on 27 May 2024, embraced a virtual format, utilising live streaming and online remote voting. All Directors and the Company Secretary physically present at the broadcast venue of the 24th AGM.</p> <p>The Board Charter incorporates the requirement for all Directors to attend general meetings so that the effective communication can be established between the Board and the shareholders. Directors, especially those charged with oversight roles (including but not limited to the Chairman of Board Committees) shall be present to answer in person to any matters or queries raised by shareholders.</p> <p>The AGM allotted ample time for shareholders to seek clarification or pose questions on pertinent matters. Additionally, the External Auditors participated virtually, offering professional and independent clarification on issues and concerns raised by shareholders during the meeting. This approach reflects the Group's commitment to transparency, shareholder engagement, and accountability.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>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 authorised 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>The 24th AGM, held on 27 May 2024, embraced a virtual format, utilising live streaming and online remote voting. The virtual approach enhances shareholder participation by enabling remote questioning and voting via Remote Participation and Voting Facilities ("RPV") after successful online registration (subject to verification and onboarding processes of the RPV).</p> <p>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 line with the direction of the Board of the Company to promoting greater shareholder engagement and facilitating inclusive participation, the Company continues to leverage technology to facilitate electronic voting and remote shareholder participation at general meetings. Accordingly, the forthcoming 25th AGM will be conducted in a hybrid mode. Shareholders may choose to attend the AGM physically or participate virtually via an online platform. This hybrid approach provides shareholders with flexible and accessible options to exercise their rights to participate, pose questions, and vote on resolutions at the AGM, in accordance with their preferred mode of participation.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>To facilitate and encourage shareholder participation during the 24th AGM, the administrative guide for attending the meeting was issued and published in the Annual Report and RPV facility. The guide outlines essential procedures such as registration, participation during the meeting, and instructions for casting votes. It aims to facilitate the shareholders active involvement in the AGM proceedings, ensuring inclusivity and transparency in the decision-making process.</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 relevant to the agendas of the meeting 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 in "Annual General Meeting Q&A Session" published together with minutes of AGM which can be downloaded from the "Others" section of the "News" tab on the corporate website at www.ksl.my.</p> <p>During the 24th 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</p>

	to promote interactive session with the shareholders to seek clarification or information from the Board during the proceeding of the general meeting, the shareholders were accorded with relevant information to cast informed vote in relation to the proposed resolutions during the general meeting.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 24th AGM was held virtually from the broadcast venue at KSL City, Johor Bahru. The fully virtual AGM was conducted via RPV facility provided by AI Smartual Learning Sdn Bhd. Their engagement was based on their extensive experience in poll administering services in Malaysia, as well as their comprehensive RPV facility's functionality and performance.</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 that 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 were 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. Pertinent questions and/or remarks relevant to the agendas of the meeting 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>

	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 24 th AGM were compiled and recorded in the “Annual General Meeting Q&A Session” which is published together with the minutes of the AGM that can be downloaded from the “Others” section of the “News” on the corporate website at www.ksl.my .	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of 24 th AGM was uploaded to the Company's corporate website within 30 business days following the meeting, which took place on 27 May 2024. All pertinent questions raised by the shareholders prior to the date of the general meeting and during the general meeting, as well as the corresponding answers provided by the Board during the AGM were compiled and recorded in the "Annual General Meeting Q&A Session", published along with the minutes of meeting. The minutes of AGM can be downloaded from the "Others" section of the "News" on the corporate website at www.ksl.my .
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**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.

Click or tap here to enter text.

