

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5171
COMPANY NAME : KIMLUN CORPORATION BERHAD
FINANCIAL YEAR : December 31, 2023

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	:	The Board is accountable and responsible for the performance and affairs of the Company, including practising a high level of good governance and setting the strategic direction of the Company. All Board members are expected to show good stewardship and act in a professional manner, as well as upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities. To this end, the Board implements the principles and practices of the Malaysian Code on Corporate Governance towards achieving corporate excellence. The Board adopted a Board Charter which sets out the authority, role and responsibilities of the Board, Board Committees, individual Directors and Senior Management. The Board Charter also sets out the membership and operation of the Board as well as issues and decisions reserved for the Board. The responsibilities of the Board include:- (a) Formulating the Group's strategic plans and strategies with economic, environmental and social considerations in line with sustainability practices for the Group; (b) Reviewing, challenging and deciding on corporate proposals for the Group, and monitoring its implementation by Management; (c) Overseeing the conduct of the Group's business to ensure the business is being properly managed with good corporate governance, high standard of ethics and corporate behaviour; (d) Establishing an effective risk management and internal control framework which includes identifying the principal risks and ensuring the implementation of appropriate internal controls and mitigation measures to achieve a proper balance between risks incurred and potential returns to the shareholders; (e) Setting the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate

	risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks; (f) Ensure Senior Management has the necessary skills and experience, and there are measures for orderly succession planning for the Company's Board and Senior Management which are reviewed on an annual basis, and to ensure that there are appropriate policies for training, appointment and performance monitoring of Senior Management; (g) Developing and implementing an investor relation programme or shareholder communication policy for the Company to enable effective communication with stakeholders; (h) Together with Senior Management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour; and (i) Ensuring the integrity of the Company's financial and non-financial reporting. Matters which shall be reserved for decision by the Board, supported by any recommendation as may be made from time to time by the Board Committees (as appropriate) include:- (a) Strategic issues and planning, including sustainability; (b) Corporate plans and programmes; (c) Budget and performance reviews; (d) Dividend policy or declaration of dividends; (e) Material borrowings; (f) Treasury policies; (g) Key human resources issues; (h) New ventures; (i) Material acquisitions and disposals of undertakings, assets and properties; (j) Quarterly financial results and annual financial statements; and (k) Any matters or transactions that fall within the ambit of the Board pursuant to the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company's Constitution or any other applicable laws and regulations. The Board, in discharging its fiduciary duties, may from time to time establish Committees as it considers necessary to assist it in carrying out its responsibilities. The Board has established 3 Board Committees, namely Audit and Risk Management Committee, Nomination Committee and Remuneration Committee, each entrusted with specific tasks and operates within clearly defined Terms of Reference approved by the Board. The Chairperson of the respective Committees reports to the Board on the outcome of the Committee meetings and such reports or minutes will be included in the Board papers.
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	The Board delegates responsibility for the day-to-day operation of the Group's business to the Executive Directors and recognises its responsibility for ensuring that the Group operates within a framework of prudent and effective control. The Board Charter and the respective Board Committees' Terms of Reference are available for reference at the Company's website at http://www.kimlun.com.	
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	:	Mr Pang Tin @ Pang Yon Tin is the Chairman of the Company. His profile can be viewed on page 6 of the Company's Annual Report 2023. He provides leadership to the Board so that the Board can perform its responsibilities effectively in the interest of good corporate governance. The responsibilities of the Chairman include:- (a) leading the Board in its responsibilities for the business and affairs of the Company and its oversight of management; (b) overseeing the Board in the effective discharge of its supervisory role; (c) ensuring the integrity and effectiveness of the governance process of the Board and leading the Board in the adoption and implementation of good corporate governance practice in the Group; (d) setting the agenda for Board meetings with the assistance of Company Secretary and ensuring all Board members receive complete and accurate information in a timely manner; (e) leading Board meetings and discussion, encourage active participation and allowing dissenting views to be freely expressed; (f) facilitating the effective contribution of all Directors and ensuring constructive relations be maintained between the Board and Management; (g) ensuring that there is regular and effective evaluation of the Board's performance; and (h) ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.
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	:	The positions of Chairman and Chief Executive Officer (“CEO”) are held by different individuals. The Chairman is Mr Pang Tin @ Pang Yon Tin whilst the CEO is Mr Sim Tian Liang. The Chairman is primarily responsible for the orderly conduct and working of the Board by ensuring that all its required functions and responsibilities are met whilst the CEO has the overall responsibility for the day-to-day running of the Group’s business operations and implementation of Board policies and decisions. The separation of positions seeks to facilitate an appropriate balance of power to prevent any single individual from dominating deliberations and the decision-making process. The respective duties and responsibilities of the Chairman and the CEO are contained in the Board Charter which is available at the Company’s website at http://www.kimlun.com.	
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

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	:	The Chairman of the Board, Mr Pang Tin @ Pang Yon Tin ("Mr Pang"), is not a member of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee ("Board Committees") of the Company since the date of his appointment to the Board on 24 October 2009. Further, Mr Pang has not been invited to participate in the meetings and deliberation of the Board Committees to ensure there is check and balance as well as objective review by the Board. This practice has been embedded in the Board Charter and Terms of Reference of the respective Board Committees which are available on the Company's website at http://www.kimlun.com.
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	:	All the Company Secretaries of the Company are qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016. The Company Secretary plays an important advisory role and is a source of information and advice to the Board and Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company and Group. The Company Secretaries provide support to the Board as follows:- (a) manage all Board and Board Committee meeting logistics, attend and record minutes of all Board and Committee meetings and facilitate Board communication; (b) advise the Board on its roles and responsibilities; (c) facilitate the orientation of new Directors and assists in Directors' training and development; (d) advise the Board on corporate disclosures and compliance with company and securities regulations and Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"); (e) manage processes pertaining to the annual shareholder meeting; (f) monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectation; and (g) serve as a focal point for stakeholders' communication and engagement on corporate governance issues. In order to contribute and function effectively, the Company Secretaries keep themselves abreast with developments on the MMLR of Bursa Securities, related statutory obligations and corporate governance practices by undertaking continuous professional development.
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

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	:	The Board recognises the importance of information supply in promoting informed Board discussions and deliberations. The Chairman, together with Management and Company Secretaries, are responsible for ensuring Directors receive adequate and timely information prior to Board or Board Committee meetings to facilitate robust deliberations. The Board meets regularly during the year and the tentative schedule for the annual meetings are made in advance to facilitate Directors' planning. There is a formal agenda of matters to be discussed including quarterly financial results, strategic business issues and risks, material sustainability matters and annual budget reserved for discussion at the scheduled Board meetings. The Board Committee meetings are conducted separately from the Board meetings to enable objective and independent discussion during the meetings. The Directors are supplied with Board papers and meeting materials with necessary information that are accurate, clear and comprehensive to enable informed decision making at the Board meetings. In addition, Board members can seek further advice or clarification from Management when required. Board papers and meeting materials, are made available at least five (5) business days in advance to the Board to facilitate well-informed Board deliberation and decision-making. The summary of Written Resolutions which have been passed since the last Board meeting, is circulated for notation of the Board and recorded in the minutes of meetings. All Board members ensure that the minutes of meetings accurately reflect the deliberations and decisions of the Board, including any dissenting views and whether any Director had abstained from voting or deliberating on a particular manner. Minutes of meeting are circulated and confirmed as a correct record by the Board and Board Committees at the subsequent 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

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	:	The Board adopted a Board Charter which sets out the authority, role and responsibilities of the Board, Board Committees, individual Directors and Senior Management. The Board Charter also sets out the membership and operation of the Board as well as issues reserved for the Board. In discharging its duties effectively, the Board is guided by its Board Charter. The Board reviews the Board Charter from time to time and makes any necessary amendments to ensure it complies with relevant laws, regulations and practices, and remain relevant and effective in the light of the Board's objectives. The last review of the Board Charter for financial year 2023 was on 29 November 2023. The Board Charter is accessible on our website at http://www.kimlun.com.
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	:	The Company has in place a Corporate Code of Conduct ("the Code"). The Directors, officers and employees of the Group are required to observe the Code. The core areas of conduct under the Code include the following:- (a) compliance; (b) conflicts of interest; (c) confidential information; (d) fair dealing; (e) company assets and property; (f) knowledge and information; (g) fighting corruption and unethical practices; (h) employment practices; and (i) reporting of illegal or unethical behaviour. The Board reviews the Code regularly to ensure that it continues to remain relevant and appropriate. The last review of the Code was on 29 November 2023. The Code is published on the Company's website at http://www.kimlun.com. In line with Paragraph 15.29 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Guidelines on Adequate Procedures pursuant to Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, the Company has developed an Anti-Bribery and Corruption Policy ("ABC Policy") to set out the responsibilities of the Group to comply with laws against bribery and corruption and provide guidance to the Directors, employees and business associates on standard of behaviour to which they must adhere to and how to recognise and deal with bribery and corruption issues, to ensure that the Group's business is conducted in an ethical manner with integrity and honesty. The ABC Policy which complements

	the Code will be reviewed periodically by the Board, and in any event, at least once in every three years. The last review of the ABC Policy was on 29 November 2023. The ABC Policy is published on the Company's website at http://www.kimlun.com. Management updates the Board on the anti-bribery and corruption matters quarterly.	
Explanation for departure	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	The Board is committed to achieving and maintaining the highest standards of integrity, openness, probity and accountability in the conduct of its businesses and operations. It aspires to conduct its affairs in an ethical, responsible and transparent manner. The Company has established the Whistle Blowing Policy & Procedure ("Policy") with the objective of enabling an individual, whether employee or otherwise, to report or disclose through established channels, concerns about unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements that is taking place/ has taken place/ may take place in the future, without fear of reprisal or victimisation, in a responsible and effective manner. The Policy addresses the following areas:- • Policy Statement; • Scope of Policy; • Reporting Procedure; • Investigation Procedure; • Protection and Confidentiality; and • Acknowledgement and Recognition. The Policy also provides the contact details of the Chairperson of Audit and Risk Management Committee, should the reporting individual is in doubt of the Management's independence and objectivity on the concerns raised. The Board reviews the Policy from time to time to ensure that it continues to remain relevant and appropriate. The last review of the Policy was on 29 November 2023. The Policy is published on the Company's website at http://www.kimlun.com.
Explanation for departure	:	

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

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	The Board is responsible for managing the sustainability matters of the Group. One of the key responsibilities of the Board under the Board Charter is to formulate the Group's strategic plans and strategies with economic, environmental and social considerations in line with sustainability practices for the Group. The Board also ensures the adequacy of the Group's framework for risk management and internal controls which are crucial to the Group's sustainability. The environmental, social and governance risks and considerations had been integrated into the Company's risk registers and the overall enterprise risk management framework. 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. The Group has established an Executive Committee ("SEC") comprising all the Executive Directors and Directors of its wholly-owned subsidiaries. The roles of the SEC include:- • identifying sustainability risks and opportunities; • identify material sustainability matters ("MSM"); • identify the strategies for the management of the MSM; • mandate the respective business units to carry out the sustainability efforts, and ensure best practices of sustainability are embedded across the Group; and • report to the Board on sustainability matters, action and tracking of the achievement of sustainability initiatives against identified goals.

	The SEC established business division sustainability steering teams (“DSST”) which comprise senior management of respective business units. The roles of the DSST include:- • drive and review the implementation of the sustainability efforts and initiatives; • recommend improvements to sustainability efforts and action plans; and • identify and implement the stakeholder engagement process. The Senior Management updates the Board on sustainability matters quarterly. The Group’s sustainability measures, framework for risk management, MSM identified, and controls measures are disclosed in pages 28 to 36 of the Annual Report 2023.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Group ensures that its communication with the internal and external stakeholders on sustainability issues are transparent and timely. The Group is committed to being accountable and responsive to the expectations and interests of its stakeholders. The Group identified the key stakeholder groups, the corresponding sustainability focus areas and the mode of engagement with such stakeholders as disclosed in pages 29-30 of the Annual Report 2023.	
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 4.3

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

Application	:	Applied
Explanation on application of the practice	:	The Group Risk Management Framework sets out the identification, assessment, management, monitoring and reporting of risks. The Board reviews the risks identified, the risk scoring and the measures to manage and mitigate the risks. The Board keep themselves abreast with and understanding to the sustainability agendas which are relevant to the Group through updates from the SEC. The role of the SEC and its supporting unit, DSST, regularly discussed various sustainability risks faced by the Group, including climate related risks and opportunity, and measures to manage and mitigate the risks. The roles of SEC and DSST are as summarised in reply to Practice 4.1 The Directors after assessing their own training needs, ensure that they stay abreast with the latest development concerning sustainability. Further, the Group stays abreast with and understand the sustainability issues by way of regular engagement with the various stakeholders to gain insight as to their concern, attending seminar/training, engagement of consultant to advise the Group on environmental matters in the Group's conduct of business, participation in Request of Information exercise and briefing of large project to gain early insight as to the likely expectation of the project owner as to the technical, financial resources and other aspects in relation to the project, and the trend of future demand. The key stakeholder groups, the corresponding sustainability focus areas and the mode of engagement with such stakeholders as disclosed in pages 29-30 of the Annual Report 2023.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	The Board through the Nomination Committee evaluate the Board and Senior Management's performance in identifying and addressing the Company's material sustainability risks and opportunities via the Board and Board Committees Performance Evaluation Form, embedded the relevant sustainability-related performance measures and questions.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	The Nomination Committee ("NC") evaluates the effectiveness of the Board and individual Director annually taking into consideration, amongst others, the mix of knowledge, skills, experiences, attributes and core competencies needed for the Board's effective discharge of its duties professionally and effectively. In accordance with Clause 76(3) of the Constitution, at least one-third (1/3) of the Directors shall retire from office at every Annual General Meeting. All Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. The retiring Directors who are seeking re-election are subject to Directors' assessment by the NC. The re-election of a director is subject contingent on satisfactory evaluation of the Director's performance and contribution to the Board. The NC evaluated the composition of the Board, the performance and tenure of each director in financial year 2023 via questionnaires, Directors' self and peer evaluation and Directors' declaration of fit and proper. The results of the evaluation concluded that the composition of the Board is well-balanced with the appropriate mix of skills and experience, and the Board and individual Director had effectively discharged their stewardship responsibilities to meet the Company's needs. The NC recommended the re-election of the retiring Directors, namely Mr Pang Tin @ Pang Yon Tin, Mr Sim Tian Liang and Mr Chin Lian Hing.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 5.2

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

Application	:	Applied	
Explanation on application of the practice	:	Currently, the Board comprises ten (10) Directors where five (5) of the Directors are Independent Non-Executive, representing 50% of the Board.	
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 5.3

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	:	The Board Charter stipulates that the tenure of the Company's Independent Directors shall not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, the Independent Director may continue to serve on the Board as Non-Independent Director. If the Board intends to retain an Independent Non-Executive Director beyond nine (9) years, the Board should provide justification and seek annual shareholders' approval through a two-tier voting process. The assessment of independence of the Independent Non-Executive Directors are conducted on an annual basis via Independent Directors' Self-assessment Checklist. All Independent Non-Executive Directors had met the criteria of independence as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. None of the current Independent Non-Executive Directors has served the Company for more 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	:	The Board is committed to ensuring Directors and Senior Management of the Company possess diverse sets of skills, knowledge and experience. In addition, the Directors of the Company must have the ability to devote sufficient time and attention to the Company, and are independent taking into account the candidate's character, integrity and professionalism. The Board has adopted the Directors' Fit and Proper Policy to enhance the governance of the Company in relation to the Board's quality and integrity, as well as ensure that each Director has the character, experience, integrity, competence, time and commitment to effectively discharge his role as a Director. On boardroom diversity, the current composition of the Board is diverse in terms of skills, experiences, gender, age and race. The background of each Director can be found on pages 6 to 10 of the Annual Report 2023. In assessing the suitability of candidates for appointment of directors, the Nomination Committee shall consider the candidates' age, characters, experiences, competencies, integrity, time commitment and other qualities, and board diversity including gender diversity and the mix of skills, qualifications, expertise and experience, knowledge, professionalism and integrity which would contribute to the overall desired composition of the Board. The Group practices equal employment opportunity, there are no barriers to employment or development in our Group by reason of an individual's gender. The recruitment or promotion of a candidate to the position of senior management is dependent on our organisational needs, the candidate's skills, experience, core competencies and other qualities. None of the Board members is person linked directly with the executive powers such as heads of state, heads of government and ministers and none of the Board members is an active politician.

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

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied	
Explanation on application of the practice	:	The guiding principle upon which the Nomination Committee ("NC") acts will be to ensure the best quality candidates, taking into consideration inter-alia the current and future needs of the Group, and the candidates' character, experiences, competencies, integrity, time commitment and other qualities, are appointed as Board member. To this end, the NC will rely on varied sources from recommendation from existing Board member, management and major shareholder as well as independent sources. The NC is also entitled to obtain independent professional advice at the Company's expense, if necessary.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	The procedures for appointment, re-election and re-appointment of Directors are set out in the Terms of Reference of the Nomination Committee, which is accessible at the Company's website at http://www.kimlun.com. The Board ensures that shareholders are kept informed on the changes in the composition of the Board and Board Committees via announcements to Bursa Malaysia Securities Berhad. The Board has provided a statement to support the re-appointment of the Directors and the reasons in the Company's Notice of 14th Annual General Meeting held on 2 June 2023 in order to facilitate shareholders in making informed voting decisions.
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	:	The Nomination Committee is chaired by En. Johar Salim Bin Yahaya, an Independent Non-Executive Director. His profile can be viewed on page 9 of the Annual Report 2023.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	Despite of the Group is operating mainly in the construction industry which is male-dominant whereby males made up of 82% of the Group's work force (excluding foreign labour), the Board is supportive of the boardroom gender diversity recommended by Malaysian Code on Corporate Governance as the Board has two (2) female members (i.e. 20% of the Board). The Board is committed to have at least one (1) female Director on the Board. Underpinning the Company's boardroom gender diversity is the commitment to ensure that all Directors are appointed on merit, in line with the standards as set out in Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board through the Nomination Committee will review the proportion of the female to male board members during the annual assessment of the Directors' performance taking into consideration the appropriate skills, experience and characteristics required in the context of the needs of the Group. At the subsidiary companies' level, 33% of the Directors (other than those Director(s) who also serve on the Board of subsidiary companies) appointed by the Company to represent its interest in the subsidiary companies are female.
<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	:	The disclosure of the Company’s policies on gender diversity for the Board and Senior Management can be found on page 38 of the Annual Report 2023. Pursuant to the Group’s gender diversity policy, the percentage of senior management positions filled by female shall not be less than the percentage of female employees to the total workforce (excluding foreign labour) of the Group. Notwithstanding, the recruitment or promotion of a candidate to the position of senior management is dependent on our organisational needs, the candidate’s skills, experience, core competencies and other qualities.	
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

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	The Nomination Committee ("NC") evaluates the effectiveness and performance of the Board as a whole, the Board Committees and the individual Director on an annual basis. The process is internally facilitated and conducted through a rating assessment by way of the following questionnaires or declarations covering a variety of assessment criteria:- (a) Independent Directors' Self-Assessment Checklist; (b) Directors' Self and Peer Evaluation Form; (c) Directors' Declaration of Fit and Proper Assessment Form; and (d) Board and Board Committee Evaluation Form. The criteria on which assessment is made is developed, maintained and reviewed by the NC taking into consideration of the Corporate Governance Guide issued by Bursa Malaysia Securities Berhad ("Bursa Securities"). The assessment criteria include the mix of skills, experience, competency, time commitment, character, integrity, independence, ability to constructively challenge and contribute to the development of strategy, diversity and other qualities required to meet the needs of the Group and to comply with the provisions of the Main Market Listing Requirements of Bursa Securities. The NC, upon discussion of the results, will present the findings to the Board. Based on the evaluation conducted in financial year 2023, the NC found that the Board as a whole, the Board Committees and the individual Directors are effective and possess the criteria required to discharge their duties professionally and effectively, and uphold good governance standards in their conduct. The NC presented their findings to the Board, and the Board concurred with the findings of the NC. The assessment was last performed on 29 November 2023.

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

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	The Company has adopted a Remuneration Policy to attract, motivate, retain and reward Directors and key management through a competitive remuneration package, and to ensure the remuneration is commensurate with the relevant experience, expertise, reflects the level of responsibilities undertaken, and contribution made by the Directors and Senior Management. The Remuneration Committee ("RC") shall recommend to the Board of Directors, the remuneration of the Executive Directors, whom are also the Senior Management of the Group, drawing from outside advice as necessary. Remuneration packages of Non-Executive Directors should be determined by the Board of Directors as a whole. On an annual basis, the RC considers market competitiveness, business results and individual performance in evaluating the Executive Directors' remuneration. The RC will then recommend to the Board, the remuneration package for the Directors. The Board, as a whole, will determine the level of remuneration paid to its Directors, taking into consideration the recommendation of the RC. The Board will then propose the Directors' fees and benefits of Non-Executive Directors for the shareholders' approval at the Company's Annual General Meeting. The level and make-up of remuneration should be effective and sufficient enough to:- • attract and retain the Directors needed to run the Group successfully; and • motivate and create incentives for Directors to perform at their best,

	whilst taking into account the interests of other stakeholders, including shareholders and employees. The remuneration package for Executive Directors comprises of a number of separate elements such as basic salary, allowances, performance-based bonuses and benefits-in-kind. The level of remuneration of the Executive Directors takes into consideration the Directors' experience, responsibilities, qualifications, level of skills, contribution and commitment to the Group, the performance of the Group, the compensation levels for comparable positions among other similar Malaysian public listed companies that are in the construction industry and prevailing economic and market condition. In the case of Non-Executive Directors, the level of remuneration is reflective of the experience and level of responsibilities undertaken by the particular Non-Executive Director concerned. Non-Executive Directors will be paid a fixed basic fee as ordinary remuneration, a sum based on their responsibilities in Board committees and allowance for their attendances at the meetings. The quantum of Non-Executive Directors' remuneration shall not be based on commission, percentage of profits and/or turnover of the Group. The fee is subject to the approval of the shareholders. No Board member, whether executive or non-executive, will be involved in deciding his own remuneration. The Board reviews the Remuneration Policy for Directors and Key Senior Management from time to time to ensure that it continues to remain relevant and appropriate. The last review of the Remuneration Policy for Directors and Key Senior Management was on 29 November 2023. The Remuneration Policy for Directors and Key Senior Management is available on the Company's website at http://www.kimlun.com.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	The Company has established a Remuneration Committee ("RC") which is authorised by the Board to implement policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Board and Senior Management. Currently, the RC comprises exclusively Independent Non-Executive Directors to foster objectivity in the deliberations and decision-making of the RC. Directors who are shareholders shall abstain from voting at general meetings on the resolution to approve their fees, if applicable. The Terms of Reference of the RC is accessible on our website at http://www.kimlun.com.
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 detailed disclosure on named basis for the remuneration of individual directors is set out in page 51 of the Annual Report 2023.

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	Pang Tin @ Pang Yon Tin	Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	12,000	729,354	103,341	15,500	64,314	924,509
2	Sim Tian Liang	Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	12,000	665,640	83,205	14,285	144,569	919,699
3	Chin Lian Hing	Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	12,000	665,640	83,205	14,285	144,569	919,699
4	Yam Tai Fong	Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	12,000	665,640	83,205	9,900	144,569	915,314
5	Pang Khang Hau	Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	194,147	708,000	88,500	23,950	97,020	1,111,617
6	Datuk Woon See Chin	Independent Director	80,400	5,100	Input info here	Input info here	Input info here	Input info here	85,500	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	85,500
7	Dato' Ir. Fong Tian Yong	Independent Director	74,400	5,100	Input info here	Input info here	Input info here	Input info here	79,500	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	79,500
8	Anita Chew Cheng Im	Independent Director	80,400	5,100	Input info here	Input info here	Input info here	Input info here	85,500	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	85,500
9	Johar Salim Bin Yahaya	Independent Director	80,400	5,100	Input info here	Input info here	Input info here	Input info here	85,500	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	85,500
10	Bhupendar Singh A/L Sewa Singh	Independent Director	74,400	5,100	Input info here	Input info here	Input info here	Input info here	79,500	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	79,500
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	:	Not applicable – adopted Step Up 8.3	
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	:		

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	:	Adopted
Explanation on adoption of the practice	:	The Groups' Top five (5) Senior Management are the five (5) Executive Directors of the Company. Their respective remuneration is disclosed in page 51 of the Annual Report 2023. All the Executive Directors' remuneration were paid by subsidiary companies of the Company. During financial year 2023, the Remuneration Committee had reviewed the remuneration of the Directors taken into consideration the respective Director's experience, level of responsibility, contribution and commitment to the Company, the performance of the Group, the compensation levels for comparable positions among other similar Malaysian public listed companies and market condition.

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Pang Tin @ Pang Yon Tin	Executive Director	0	0	0	0	0	0
2	Sim Tian Liang	Executive Director	0	0	0	0	0	0
3	Chin Lian Hing	Executive Director	0	0	0	0	0	0
4	Yam Tai Fong	Executive Director	0	0	0	0	0	0
5	Pang Khang Hau	Executive Director	0	0	0	0	0	0

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	The Chairperson of the Audit and Risk Management Committee ("ARMC") is Ms Anita Chew Cheng Im whilst the Chairman of the Board is Mr Pang Tin @ Pang Yon Tin. The profile of Ms Anita Chew Cheng Im can be viewed on page 9 of the Company's Annual Report 2023. The work done by the Chairperson of the ARMC and the ARMC are disclosed in pages 60 to 61 of the Company's Annual Report 2023. The Terms of Reference of the ARMC and the Board Charter which set out the separation between the roles of the Chairman of the Board and the Chairperson of the ARMC are accessible on our website at http://www.kimlun.com.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Audit and Risk Management Committee (“ARMC”) has incorporated in its Terms of Reference on the policy that “A former partner of the external audit firm and/or the affiliate firm (including those providing advisory services, tax consulting etc) of the Company or any entity within the Group is required to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC”. No former audit partners of the external auditors has been appointed to the Board thus far.	
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

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	The Audit and Risk Management Committee ("ARMC") assesses the effectiveness of external audit as well as the suitability, objectivity and independence of the external auditors annually. The assessment criteria include adequacy of experience and resources of the firm, the professional staff assigned to the audit, effectiveness of the audit process, technical competency and audit independence. Written assurance is obtained from the external auditors yearly, confirming their independence in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants. The ARMC performed an assessment on the Company's external auditors, Crowe Malaysia PLT ("Crowe") based on the aforesaid criteria and its performance in accordance with the External Auditor Policy. The ARMC also referred to the information in Crowe's Annual Transparency Report as part of the assessment. Based on the assessment, the ARMC made its recommendation to the Board on the re-appointment of Crowe as the external auditors of the Company for financial year 2023.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.

The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The Audit and Risk Management Committee comprises solely of Independent Directors.

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	:	Collectively, the Audit and Risk Management Committee ("ARMC") possesses a wide range of necessary skills to discharge its duties. All members of the ARMC are financially literate, whilst two of the ARMC members, Ms Anita Chew Cheng Im and Mr Bhupendar Singh A/L Sewa Singh, have accounting qualification and experience and fulfilled the criteria specified in paragraph 15.09(1)(c)(i) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Further, the members have experience and sufficient understanding that is relevant to the business and the industries the Group operates in. The Company is committed to ensure that its ARMC members keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules. The external auditors briefed the ARMC on any changes to the Malaysian Financial Reporting Standards that would affect the Group's financial statements and the implication therefrom. The Nomination Committee reviewed the term of office and performance of the ARMC through the ARMC Evaluation Form. Based on the outcome of the assessment on the ARMC, the Board was satisfied with the ARMC's performance as the ARMC possessed the appropriate skills and competencies to deal with the matters brought to them and guide Management in understanding the business risks and operations of the Group.
Explanation for departure	:	

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

Intended Outcome

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	:	The Board has established an effective risk management and internal control framework to identify and assess the risks faced by the Group, and design, implement and monitor appropriate internal controls to control and mitigate those risks. The Statement on Risk Management and Internal Control in pages 63 to 68 of the Annual Report 2023 provides an overview of the state of risk management and internal control within the Group governed by the Risk Management Framework. The Group's system of internal control covers risk management and financial, operational and compliance controls. The Board continually reviews the system of internal control to ensure that it provides a reasonable but not absolute assurance against material misstatement of financial information and records, or against financial losses or fraud. The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group. The Management assists the Board in the implementation of the Board's policies and procedures on risk and internal control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Board discloses the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework in the Statement on Risk Management and Internal Control in pages 63 to 68 of the Company’s Annual Report 2023. A risk management report is tabled for the review of the Audit and Risk Management Committee and the Board discussion annually or at shorter interval where necessary. The report identifies principal risks affecting or are likely to affect the Group, and the appropriate systems or actions to manage the risks.	
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 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 :	Not Adopted
Explanation on adoption of the practice :	

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	:	To ensure that the responsibilities of internal auditors are fully discharged, the Audit and Risk Management Committee (“ARMC”) review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work and to decide on among others the appointment and removal, scope of work, performance evaluation and budget for internal audit function. The ARMC was satisfied that the internal audit function was effective and able to function independently. The most recent assessment of the Company’s internal auditors was carried out by the ARMC on 29 November 2023. Further, the ARMC also review the internal audit plan, processes and results of the audit process works and, where applicable, ensure that the appropriate actions are taken on the recommendations of the internal audit function.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose—

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

Application	:	Applied
Explanation on application of the practice	:	The Group has outsourced its internal audit function to Tricor Axcelasia Sdn Bhd, a professional service company (“Outsourced IA”). The internal audit personnel assigned by the Outsourced IA were free from any relationships or conflicts of interest, which could impair their objectivity and independence pursuant to the written declaration made by them. The Outsourced IA has assigned four staff to provide internal audit services to the Group during financial year 2023, and Mr Chang Ming Chew, an executive director of the Outsourced IA, is responsible for the outsourced internal audit function of the Group. Mr Chang holds the certifications of Certified Internal Auditor, Certification in Risk Management Assurance and Certified Information System Auditor; and is a professional member of the Institute of Internal Auditors Malaysia, member of the Association of Chartered Certified Accountants (UK), and member with the Malaysian Institute of Accountants. The work of the Outsourced IA is guided by, in all material respect, the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors. The internal audit function has been mandated to continually assess and monitor the Group’s system of internal control. The internal audit function adopts a risk-based approach and prepares its audit strategy and plans based on the risk profiles of individual business unit of the Group. These plans are updated periodically and approved by the Audit and Risk Management Committee. The Outsourced IA keeps its staff abreast with developments in the profession, relevant industry and regulations to ensure they are able to perform their role effectively.
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	:	The Board places great importance in ensuring the high standards of transparency and accountability in its communication to shareholders, analysts and the public. The channels of communication, amongst others, are as follows:- (i) timely announcements made to Bursa Malaysia Securities Berhad ("Bursa Securities"), which includes quarterly financial results, material contracts awarded, changes in the composition of the Group and any other material information that may affect investors' decision making; (ii) conducts dialogues with financial analysts from time to time as a means of effective communication that enables the Board and Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests; (iii) conducts investors and financial analysts briefings semi-annually; (iv) the Company's website which provides easy access to corporate information pertaining to the Company and its activities and is continuously updated. All announcements made to Bursa Securities are updated on the Company's website as soon as practical. Further, the stakeholders may at any time contact the Company on the investor relations queries via the contact details published on the Company's website; and (v) the Annual General Meeting ("AGM"), which is the principal forum for dialogue with shareholders. At each AGM, a presentation is conducted to explain the Group's strategy, performance and major developments to shareholders. The Board also encourages shareholders to participate in the question and answer session at the AGM. The Board is mindful on the importance of maintaining proper corporate disclosure procedures with the aim to provide shareholders

	and investors with comprehensive, accurate and quality information on a timely basis. Personnel and working team for preparing the disclosure will conduct due diligence and proper verification, as well as coordinate the efficient disclosure of material information to the investing public. The Company also ensures that confidential information is handled properly by Directors, employees and relevant parties to avoid leakage and improper use of such information.	
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	:	The Company is a not under the category of Large Companies as defined in the Malaysian Code on Corporate Governance.	
<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	:	The Company issues its notice of Annual General Meeting (“AGM”) to shareholders at least twenty-eight (28) days before the AGM, to allow shareholders to have sufficient time to consider the resolutions that will be tabled at the AGM and make the necessary attendance and voting arrangements. The Company’s 14th AGM was held on 2 June 2023 and the Notice of the 14th AGM was issued on 27 April 2023. The notice provides further explanation beyond the minimum content stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad for the resolutions proposed to enable the shareholders to make an informed decision in exercising their voting rights. Furthermore, each item of special business included in the notice of meeting will be accompanied by a detailed explanation on the details and effects of the resolutions proposed along with any background information and reports or recommendations that are relevant. The Company also distributed Administrative Guide along with the Notice of 14th AGM, which provided information to the shareholders regarding the details of the AGM, their entitlement to attend the AGM and their right to appoint a proxy.
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	:	All the Directors attended the 14th Annual General Meeting ("AGM") which was conducted fully virtual through online meeting platform on 2 June 2023. The Chairperson of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee were present to provide meaningful response if there are any questions addressed to them. During the 14th AGM, the Chairperson of the meeting encouraged shareholders to actively participate by submitting their questions in real time via the Query Box. All questions raised by shareholders and proxies via the Query Box were attended to accordingly. Any unresolved questions and comments by shareholders during the AGM are compiled and answered post-AGM. The key matters raised at the AGM and the Company's responses were published on the Company's website.
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	:	The Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolutions at its virtual 14th Annual General Meeting ("AGM"). The Company conducted its 14th AGM fully virtual through live streaming and online remote voting via Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn Bhd ("TIIH"), the Poll Administrator, via its TIIH Online website at https://tiih.online. With the RPV, shareholders are able to exercise their right as members of the Company to participate (including posing questions to the Board of the Company before or during the AGM) and vote by registering themselves via TIIH Online before the closing date set out in the Administrative Guide for the 14th AGM ("Administrative Guide"). For shareholders who were unable to attend the 14th AGM, they were entitled to appoint a proxy to attend the 14th AGM via RPV. The Administrative Guide as well as the guide on registration and voting procedures were provided to the shareholders and a copy of the said Administrative Guide was also published on the Company's website at http://www.kimlun.com. In regards to the cyber hygiene practices, TIIH had confirmed that it has implemented an Information Technology and Information Security policy, endpoint controls and data classification for cyber hygiene practices of the staff. Stress test and penetration testing had been performed on TIIH Online to test its resiliency. Tricor Malaysia is ISO27001 certified in October 2021 and the TIIH Online is hosted on a secure cloud platform and the data center is ISO27001 certified.
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	:	During the 14th Annual General Meeting ("AGM"), a presentation was conducted to explain the Group's strategies, financial and non-financial performance and major developments to shareholders. Members, proxies and/or corporate representatives are allowed to submit questions for the Board in advance of the 14th AGM via Tricor's TIH Online website at https://tiih.online no later than 2.30 p.m. of 31 May 2023. Ample time and opportunity were made available for shareholders, proxies and/or corporate representatives to pose questions. The Chairperson of the meeting encouraged shareholders to actively participate by submitting their questions in real time via the Query Box. All questions raised by shareholders and proxies via the Query Box were attended by the Board with meaningful response. Shareholders are able to pose questions to the Board of the Company before or during the AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>		
Application	:	Applied
Explanation on application of the practice	:	The Company conducted its 14th Annual General Meeting (“AGM”) fully virtual through live streaming and online remote voting via Remote Participation and Voting facilities (“RPV”). The RPV allowed shareholders and proxies to pose questions to the Board in real time via the Query Box, before or during the AGM. All questions raised by shareholders and proxies via the Query Box were visible to all meeting participants during the AGM to ensure effective communication with the shareholders.
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	:	Minutes of the 14th Annual General Meeting ("AGM") have been made available to shareholders no later than 30 business days after the AGM on the Company's website at http://www.kimlun.com .
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

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

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