

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0180
COMPANY NAME : KIM TECK CHEONG CONSOLIDATED BERHAD
FINANCIAL YEAR : June 30, 2022

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is responsible for the overall management of the Company. The Board delegates the day to day management to the Executive Directors (“ED”), save for the significant matters reserved for the Board’s approval, such as financial results (quarterly or annually), declaration of dividends, review annual budget and business plan, issuance of new shares, expenditure above a certain limit, disposals or acquisition of significant fixed assets and etc.</p> <p>The Board has steered the Company in a business direction that promote sustainability in its business operation and corporate value. The Company has an ongoing product development process with the aim to continue improving the products’ quality, in order to preserve the well-known quality of its products.</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 Board is led by Y. Bhg. Tun Richard Malanjum, the Independent Non-Executive Chairman who is capable to lead the Board based on his entrepreneurial leadership and at the same time guided by the independent advice and views from the Independent Directors, who offer the necessary checks and balances in the decision making process of the Board.</p> <p>The Chairman plays an instrumental role in providing leadership to the Board for all aspects of the Board's roles and responsibilities, ensuring that operations conform to the Board's strategic directions, Company's vision and corporate policies, as well as facilitating the communication and understanding between the Management and the Board.</p> <p>The Chairman presides over board meetings and ensures that all directors' views are heard, ensures sufficient time for discussion of each agenda, and provides fair opportunity to all directors to participate actively and constructively during the meetings and discussions.</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 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	The roles of Chairman and Executive Directors are exercised by different individuals. A clear segregation of their responsibilities and powers is stated and defined in the Company's Board Charter. Besides ensuring an appropriate balance of power and authority, the segregation of roles facilitates an open exchange of views and opinions between the Board and the Management in their deliberation of the business, strategies and key 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

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.

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Board, Y. Bhg. Tun Richard Malanjum is not the member of Remuneration Committee and Nomination Committee and Audit and Risk Management Committee.	
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 who is a Fellow member of the Malaysian Institute of Chartered Secretaries and Administrators. The Company Secretary provides support to the Board in carrying out its fiduciary duties and stewardship role in shaping the standard of corporate governance of the Group. In this respect, she plays an advisory role to the Board, particularly with regards to the Company's Constitution, Board's policies and procedures as well as its compliance with regulatory requirements, codes, guidelines, legislations and the principles of best corporate governance practices.</p> <p>The Company Secretary also attends all Board, Board Committee and general meetings, and ensure that deliberations at the meetings are accurately minuted and kept in the minutes books and subsequently communicated to the relevant party for necessary actions. Such minutes of meetings are confirmed by the respective Board Committees and signed by the Chairman of the meeting.</p> <p>All Directors have unrestricted access to the advice and services of the Company Secretary for the purposes of the Board's affairs and the business 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

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	:	Reasonable notice of meetings and the agenda on the business to be conducted at the meetings were circulated to all Directors at least one (1) week before each meeting. The board papers that provided relevant information such as minutes of previous meetings, management reports and financial reports were furnished to the Directors at least five (5) working days prior to the Board meeting so that each Director had ample time to review the papers to enable informed decision making.	
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 has formally adopted a Board Charter which provides guidance to the Board in the fulfillment of its roles, duties and responsibilities. The Board Charter was drawn up in line with the Board's commitment to comply with relevant legislations, regulations and the principles of good corporate governance. The Board Charter outlines the composition and structure of the Board, the Board's powers, duties and responsibilities, and processes and procedures for Board meeting. The Board Charter will be reviewed periodically and updated from time to time to reflect changes to the Company's policies, procedures and processes as well as changes to legislations and regulations. The Board Charter is available on the Company's website at www.kimteckcheong.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	:	<p>Good governance at all levels is essential for sustainable development. The Board is committed to embrace the highest standards of corporate governance practices and ethical standard throughout the Group.</p> <p>In this respect, the Group has established a Code of Ethics and Code of Conduct to provide direction and guidance to all Directors, Senior Management, employees and external parties in the discharge of their duties and responsibilities that will be in the best interest of the Group. The Code of Ethics and Conduct had been uploaded on the Company's website at www.kimteckcheong.com.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is committed to achieve and maintain high standards of corporate governance practices across the Group. A Whistle-blowing policy is implemented to provide a channel to enable Directors, Employees, Shareholders, Vendors or any parties with a business relationship of the Group with an avenue to report suspected wrongdoings that may adversely impact the Group. It also outlines the procedures for reporting a genuine concern on any breach of conduct that are taking place, have taken place or may take place in the future. The Company treats all reports in a confidential manner and at the same time provides protection to anyone who reports such concerns in good faith.</p> <p>Further details pertaining to the Whistle-blowing Policy can be found at the Company's website at www.kimteckcheong.com.</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	:	In line with Bursa Malaysia Securities Berhad's Sustainability Reporting Guide (2nd Edition), the Group's sustainability practices focus on ensuring that economic, environmental and social risks and opportunities are tied in with the governance framework and social responsibilities. This enables the Group's corporate success and behaviour to be judged and measured by the public. In this respect, KTC mission, as a responsible corporate citizen, is to ensure high standards of governance across the business to promote responsible business practices, manage environmental impacts, and to meet the social needs of the community in the Groups operates, which is in line with the corporate culture.	
Explanation for departure	:	Not Applicable.	
		Not Applicable.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable.	
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 4.2

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's managed to remain sustainable and generating long-term shareholder value mainly influenced by several internal and external factors. Each material factor presents unique risks and opportunities to the organisation and is a key consideration in KTC's approach to strategise formulation and execution as it substantially influences the assessments and decisions of KTC's internal and external stakeholders. The Group regularly review these factors to assess their impact on the business model over the near, medium and long term.	
Explanation for departure	:	Not Applicable.	
		Not Applicable.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable.	
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 4.3

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>The Company Secretaries regularly updates the Board on the changes of the Listing Requirements upon receiving the circulars from Bursa Securities, which are relevant to the Company and provide advice on corporate disclosures and compliances which includes understanding of sustainability issues.</p> <p>The Board stays abreast with sustainability issues which are relevant to the Company and its business, including climate-related risks and opportunities.</p> <p>The CEO periodic updates the Board of the sustainability matter and enhanced the directors' awareness and knowledge of the sustainability issues relevant to the Group and take initiatives in addressing its material sustainability matters at Board meetings.</p> <p>Where necessary, the Company will upskill the board and senior management on sustainability issues by conducting internal workshops and training or external collaboration with expert organisations.</p>	
Explanation for departure	:	Not Applicable.	
		Not Applicable.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable.	
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 4.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>The representative from Director’s Office who has been given the mandate to carry out the Board’s sustainability agenda. The representative reports to the Board on the sustainability activities and developments during the quarterly Board meetings.</p> <p>The Board responsibility is to promote and embed sustainability into the Group which includes overseeing the following:</p> <ul style="list-style-type: none"> • Stakeholders’ engagement • Materiality assessment and identification of sustainability risks and opportunities relevant to the Group • Management of material sustainability risks and opportunities <p>The Board also cascades sustainability matters to their respective teams in the form of policies, internal memos and updates to the Group’s Standard Operating Procedures (“SOPs”) to continue embedding sustainability in every aspect of the Group’s daily operation.</p> <p>The Board also acknowledges that risk management and internal control are integral to our corporate governance and it is responsible for establishing a sound risk management framework and internal control system as well as to ensure their adequacy and effectiveness.</p> <p>The review of the adequacy and effectiveness of the risk management framework and the system of internal control is delegated by the Board to the Audit and Risk Management Committee. The Group’s performance is also tracked with the assistance of the Nomination and Remuneration Committees.</p>
Explanation for departure	:	Not Applicable.
		Not Applicable.
<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.

Application	:	Applied	
Explanation on application of the practice	:	The CEO is designated to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Group.	
Explanation for departure	:	Not Applicable.	
		Not Applicable.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable.	
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 5.1

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><u>Refreshing the Board Composition</u></p> <p>The Board had reviewed the current composition of the Board and the tenure of each director on the Board when appointing or reappointing a board member.</p> <p>In this respect, the Board is mindful that for it to be effective, its composition must include the right group of people, with an appropriate mix of skills, knowledge, experience and independence elements that fit the Company's objectives and strategic goals.</p> <p>In August 2022, the Nomination Committee had assessed and evaluated the effectiveness of the Board of Directors as a whole and the Committees of the Board.</p> <p>In addition, the Nomination Committee conducted an analysis of the Board Skill Matrix based on the existing Board Composition, to determine the skills gaps that may be needed to be filled.</p> <p>The Board had also viewed the diversity in the Board Composition to facilitate optimal decision-making by harnessing different insights and perspectives.</p> <p>With that, the Nomination Committee will source for potential candidates based on the selection criteria.</p> <p><u>Director's Retirement/Re-election</u></p> <p>Pursuant to Clause 97 of the Constitution of Kim Teck Cheong Consolidated Berhad, one-third of the Directors of the Company shall retire from office once at least in each 3 years but shall be eligible for re-election.</p> <p>The schedule of retirement by rotation was determined by the Nomination Committee and the Director's eligibility to stand for re-election was also being considered taking into account their tenure of service in accordance with the Board 9-year policy, where the tenure of an independent director should not exceed a term limit of 9 years.</p> <p>In this respect, all the Independent Non-Executive Directors have served the Board for less than 9 years as at 30 June 2022.</p>
Explanation for departure	:	Not Applicable.

	Not Applicable.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable.
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 5.2

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	:	
Explanation for departure	:	<p>The Company is not a Large Company.</p> <p>The present Board, comprises eight (8) Directors i.e. one (1) Independent Non-Executive Chairman, three (3) Independent Non-Executive Directors, three (3) Non-Independent Executive Directors and one (1) Non-Independent Non-Executive Director.</p> <p>The Board believes that the current size and composition reflects an appropriate balance of Executive and Non-Executive Directors which is adequate for the scope and nature of the Group's business and operations.</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 5.3

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, 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	:	Not applicable - No independent director(s) serving beyond 9 years	
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

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.

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 Board and the Nomination Committee take into account the current diversity in the skills, experience, age, race/ethnicity (cultural background) and nationality of the existing Board in seeking potential candidate(s). The Board strongly views that diversity of the Board's composition is important to facilitate optimal decision-making by harnessing different insights and perspectives.</p> <p>The Committee has the responsibility to ensure that the Board comprises suitably qualified members that demonstrate appropriate qualities and experience that contribute to the effective oversight and stewardship.</p> <p>During the financial year, no new Director was appointed. The Board decided to maintain the optimum Board size at 8 based on the review of the Board composition in 2019. The optimal size would enable effective oversight, delegation of responsibilities and productive discussions amongst members of the Board.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>When considering nomination or re-election of directors, the Nomination Committee also takes into account the director's ability to devote sufficient time and attention to properly fulfill his/her responsibilities. Besides attending all meetings of the Board and Board Committees on which he or she serves, each member is expected to be present in all shareholders' meetings, major company events and to participate in continuing training programs. The proposed date for AGM are also notified to all Board members in advance, to enable all directors to be present at the meeting and engage with the shareholders.</p> <p>As part of the recruitment exercise, the Nomination Committee will utilise various independent sources to ensure that it is able to identify the most suitable candidates. The proposed candidate will also be required to confirm that he/she meets the criteria for an independent director as prescribed in the AMLR of Bursa Securities and its Rule 15 prior to recommending to the Board for approval of his/her proposed appointment as an Independent Non-Executive Director.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.7

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

Application	:	Applied	
Explanation on application of the practice	:	The profiles of Directors are published in the Annual Report and on KTC's website. These include their age, gender, tenure of service, directorships in other companies, working experience and any conflict of interest as well as their shareholdings in KTC, if any.	
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 comprises exclusively of Independent Non-Executive Directors and is chaired by the Independent Non-Executive Director.		
		Name of Director	Designation	No. of Meetings Attended
		Y. Bhg. Dato' Mohd Ibrahim Bin Mohd Nor	(Chairman)	1/1
		Ms. Phang Sze Fui	(Member)	1/1
		Madam Wong Wen Miin	(Member)	1/1
Explanation for departure	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
Measure	:			
Timeframe	:			

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	The composition of women on a board is more than 30%.	
Explanation for departure	:	Please provide an explanation for the departure.	
<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 5.10

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 has no specific policy on gender, age and ethnicity for candidates to be appointed to the Board. The evaluation of the suitability of candidates is based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company.</p> <p>The Nomination Committee, will however continue to take steps to ensure that gender, age and ethnicity of the candidates will be taken into consideration as part of its recruitment exercise.</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	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 6.1

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

For **Large Companies**, the board engages independent experts periodically to facilitate objective and candid board evaluations.

Application	:	Applied	
Explanation on application of the practice	:	The Nomination Committee annually performs an assessment of the effectiveness and performance of the Board, Board Committees and individual Directors, in order to verify that the Board is functioning appropriately as a whole. Each Director completed a detailed questionnaire in the Directors' Performance Evaluation which covered matters relevant to the Board performance, among other things, contribution to interaction, quality of input, understanding of role and personal developments. An evaluation of each Board Committee was done by assessing the structure, roles and responsibilities, performance of the respective Chairman, as well as Committee's performance against its Terms of Reference. The assessment was internally facilitated, whereby results of the assessments had been compiled, documented and reported to the Board accordingly, as part of the Company's ongoing corporate governance practices.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Remuneration Committee is responsible for recommending to the Board the remuneration framework for Directors as well as the remuneration packages of Executive Directors. The Executive Directors did not participate directly in any way in determining their individual remuneration.</p> <p>The Board as a whole determines the remuneration of Non-Executive Directors with individual Directors abstaining from decisions in respect of their individual remuneration. The Board recommends the Director's fees payable to Independent Non-Executive Directors on a monthly basis to the shareholders for approval at the Annual General Meeting.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 7.2

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

The Remuneration 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 Remuneration Committee was established to assist the Board in developing remuneration policies and procedures that enable the Group to attract, motivate and retain qualified Directors and key Senior Management personnel. Full details of the functions and duties of the Remuneration Committee are stated in its Terms of Reference which is available on the Company's website, www.kimteckcheong.com The Remuneration Committee comprises wholly Independent Non-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

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 breakdown of individual Directors' remuneration are disclosed in the Corporate Governance Overview Statement of the 2022 Annual Report.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	The remuneration for the Key Senior Management (excluding the Executive Director of the Company) in bands of RM50,000 during the FYE 2022 are as follows:- <table border="1" data-bbox="560 846 1406 987"><thead><tr><th>Range of Remuneration</th><th>Number of Senior Management</th></tr></thead><tbody><tr><td>RM300,001 to RM350,000</td><td>-</td></tr><tr><td>RM350,001 to RM400,000</td><td>-</td></tr><tr><td>RM400,001 to RM450,000</td><td>1</td></tr></tbody></table> <p>Given the competitive nature of the industry, the Board believes that disclosing the names and detailed remuneration of Senior Management staff other than the Executive Directors is inappropriate. Such disclosure would have a negative impact on the Company's talent retention and raise recruitment issues.</p> <p>All Senior Management are remunerated depending on their scope of duty and responsibilities, Group and individual performance, and other criteria.</p>		Range of Remuneration	Number of Senior Management	RM300,001 to RM350,000	-	RM350,001 to RM400,000	-	RM400,001 to RM450,000	1
Range of Remuneration	Number of Senior Management										
RM300,001 to RM350,000	-										
RM350,001 to RM400,000	-										
RM400,001 to RM450,000	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.									

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	:	

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 Chairman of the Audit Committee is not the Chairman 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

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	:	<p>None of the members of the Board were former key audit partners within the cooling-off period of 3 years, and no such person is appointed as a member of the Audit Committee.</p> <p>The requirements as to “Any former key audit partner must have observed a cooling-off period of at least 3 years before one is eligible for appointment as AC member” in Practice 9.2 of the MCG were reflected accordingly in the Term of Reference of the Audit Committee, whereby the cooling-off period of at least “2 years” was revised to “3 years” upon the Board’s approval at its meeting held in September 2021.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The external auditors of the Company fulfill an essential role in giving assurance to the Company’s shareholders on the reliability of the Group’s financial statements.</p> <p>The Audit and Risk Management Committee reviews the independence, performance and remuneration of the External Auditors before recommending them to the shareholders for re-appointment in the AGM on an annual basis. The External Auditors would provide written assurance to the Board in respect of its independence to act as the External Auditors of the Group. The Audit Committee would convene a private session with the External Auditors and Internal Auditors without the presence of the Executive Directors and Management. During the financial year ended 30 June 2022, the Audit Committee had conducted private sessions with the External Auditors without the presence of the Executive Directors and Management.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The Audit Committee comprises exclusively of Independent Non-Executive 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 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 Audit Committee consists of three (3) members, all of whom are independent non-executive directors. The Chairperson of the Audit Committee is a member of the Malaysian Institute of Accountants and has relevant financial experience and expertise to effectively fulfil the role of Audit Committee Chairman.</p> <p>During the financial year, the Nomination Committee had reviewed and evaluated the effectiveness of Audit Committee and each of its members. The Audit Committee was assessed based on quality and composition, skills and competencies, as well as meeting administration and conduct. Based on the results of the assessment, the Nomination Committee was satisfied that the Audit Committee and its members had discharged their functions effectively and had carried out their duties in accordance with its Terms of Reference.</p> <p>During the financial year, all the Directors had participated in various training programs. The particulars of the seminars and courses attended by all the Directors are disclosed in the Corporate Governance Overview Statement of the 2022 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

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 acknowledges that risk management and internal control system are an integral part of effective management practice. As risk is inherent in all business activities, hence it is not the Group's objective to eliminate risk totally. There is an on-going process in place to identify, evaluate, monitor and manage key risks faced by the Group and the Board reviews the key risks highlighted to ensure the relevant action is taken to mitigate the risk of the Group to safeguard shareholders' investment and Group's assets.	
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	:	<p>The Board has established an Internal Audit function and appointed Resolve IR Sdn. Bhd. as the outsourced internal auditor. Functionally, the outsourced internal auditor reports to the Audit and Risk Management Committee directly and Resolve IR Sdn. Bhd. is responsible for conducting periodic reviews and appraisals of the effectiveness of the governance, risk management and internal control processes within the Group.</p> <p>The scope of work covered by the internal audit function during the financial year, summary of activities carried out, including its observations and recommendations, are provided in the Statement on Risk Management and Internal Control and Audit and Risk Management Committee Report of the 2022 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

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	:	The Group's internal audit function is carried out by an outsourced internal audit firm which is independent of the activities it audits. The Board, through the Audit and Risk Management Committee conducts annual review on the effectiveness of the internal audit function which includes the assessment on the quality of audit review to ensure that the Internal Auditors have sufficient knowledge and experience 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

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 outsourced internal auditor reports directly to the Audit and Risk Management Committee, who receives reports of issues and recommendations arising from each review. The outsourced internal auditor has also carried out follow-up reviews to ensure that recommendations for improving the internal control systems were being implemented satisfactorily.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Annual General Meeting is the key element of the Company's dialogue with its shareholders. During the AGM, shareholders are encouraged to ask questions about the resolutions being proposed, about the Company's operations in general or about the annual reports of the Company and of the Group. All the Directors, Senior Management and External Auditors are available in the Annual General Meeting to provide responses to questions from the shareholders.</p> <p>The Group is committed to ensure that its communication with the shareholders and various stakeholders is transparent, timely and with quality disclosure. Whereby, each group of stakeholders expect a varying level of interaction from the board based on their differing levels of interest in the company. They expected the company communicate in a timely and open manner, adopted good corporate governance practices, company's performance is closely monitored and feedback is provided, engage with stakeholders when making significant decisions.</p> <p>In this respect, the Group has designed an Investor Relations Website and an Investor Relations Privacy Policy which provides guidance to the Management and employees on the Company's disclosure requirements, handling of material information, and in dealing with investors, analysts, media and the investing public. The Group also maintains comprehensive control of all important corporate information and prohibits any insider trading by any director or principal officer when he or she is in possession of price sensitive information.</p> <p>Apart from that, the Group has in place the following initiatives to facilitate effective communication with its shareholders:</p> <ol style="list-style-type: none">ensure the Annual Report consist of important information such as Management Discussion and Analysis, financial statements, and information on the Audit Committee, Corporate Governance, Sustainability and Corporate Social Responsibility, and Risk Management and Internal Control;timely announcements made to Bursa Securities via Bursa LINK, which include the release of financial results on a quarterly basis, changes in substantial shareholder's interest, changes in Boardroom and any other matter. Concurrent with the release of financial results, all the announcements will upload on the Company's website, and releases announcements to major newspapers and public media;attending to shareholders' and investors' emails and phone enquiries; and

	<p>d. the Company’s website at www.kimteckcheong.com Investor Relations section, which houses annual reports, quarterly report announcements, press releases, analyst briefings, analyst coverage and other corporate information.</p> <p>Timely release of quarterly announcements and full year financial reports reflects the Board’s accountability to its shareholders.</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

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	:	Applied	
Explanation on application of the practice	:	The Company is not a Large Company.	
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 Notice of Annual General Meeting for year 2021 ("AGM") to be held 6 December 2021 was served on 29 October 2021.</p> <p>Given the significance of general meetings, the notice of meeting together with the annual report is sent to the shareholders at least 28 days prior to the AGM, so as to maximise their attendance and to provide sufficient time to consider the resolutions that will be discussed and decided at the general meeting. Concurrently, the notice of AGM is advertised in a nationally circulated English daily newspaper. In order to facilitate informed decision by the shareholders, notice of meeting is also accompanied by explanatory notes on the items of business to further explain the nature of business of the meeting.</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 13.2

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>KTC's AGM is an important means of communicating with its shareholders. It enables the shareholders to interact directly with the Board and gain insights on the Company's business and financial position. It serves as a platform for shareholders to have a full understanding of the Company and the Group.</p> <p>During the AGM, the Chairman ensures that shareholders are given the opportunity to comment or raise issues and questions whether pertaining to issues on the agenda, the annual report, Group's strategy or developments in the Group.</p> <p>The Chairman plays a vital role in fostering constructive dialogue between the Board and the shareholders. All the members of the Board and the respective chairmen of the Board's Committees are present at the meetings to address queries raised by the shareholders which are relevant to their areas of responsibility. The Audit and Risk Management Committee Chairperson, the Nomination Committee Chairman and the Remuneration Committee Chairperson were being informed that questions relating to the Committee under their purview will be addressed by them accordingly.</p> <p>The Company's External Auditors also attend the AGM and are available to answer questions from the shareholders pertaining to the audit matters and the auditor's 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

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 with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- voting including 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>At its 7th AGM held on 6 December 2021, KTC had leverage technology to facilitate online electronics voting (e-voting) for the conduct of poll on all resolutions for the second time.</p> <p>Online electronic voting was used to provide a more efficient and accurate outcome of the results.</p> <p>The voting at the 6th and 7th AGM held on 21 December 2020 and 6 December 2021 respectively were conducted on a poll in accordance with Paragraph 8.29A of the AMLR of Bursa Securities.</p> <p>For the 6th and 7th AGM held on 21 December 2020 and 6 December 2021 respectively, KTC had appointed HMC Corporate Services Sdn. Bhd. (“HMC”) as Poll Administrator to conduct the polling process, and USEARCH Management Services (“USEARCH”) as Scrutineers to verify the poll results. The first experience in Remote Participation and Voting (“RPV”) facilities on 21 December 2020 was useful and timely for convening a fully virtual 6th AGM on 21 December 2020, with online attendance and voting by shareholders during the MCO period.</p> <p>In addition to the e-voting in person at the AGM venue, the Company at its 6th AGM held on 21 December 2020 had enabled remote shareholders’ participation and online remote voting by leveraging technology in accordance with Section 327(1) and (2) of the CA 2016 and Clause 59 of the Constitution of the Company.</p> <p>(a) Remote shareholders’ participation at the 7th AGM</p> <p>Shareholders were invited to exercise their right to attend, participate and vote at the meeting remotely by using the Webinar. The registration for attendance was opened from 5.00 p.m. Friday, 29 October 2021 at https://bit.ly/3vNZ9qI until such time before the voting session ended at the 7th AGM on Monday, 6 December 2020. Detailed procedures were provided to shareholders in the Administrative Guide.</p> <p>(b) After verification that one was a shareholder based on the General Meeting Record of Depositors (“ROD”) as at 30 November 2021, the relevant shareholder was notified via e-mail by HMC that his/her registration for the remote participation at the 7th AGM had been</p>

	<p>approved. An e-mail notification on AGM link was then sent by HMC after its verification based on the General Meeting ROD as at 30 November 2021 and upon the cut-off date and time for proxy form submission.</p> <p>(c) Voting in absentia</p> <p>Shareholders logged on the Webinar via the meeting link sent by HMC and participated remotely via live streaming at the 7th AGM. The Company Secretary was invited to brief the shareholders on the housekeeping procedures to be adhered to pertaining to the fully virtual AGM, in tabling and approving the resolutions via the online polling platform at the AGM.</p> <p>The voting session had commenced from the start of the Meeting at 9.40 a.m. until the close of the voting session as announced by the Chairman at 9.50 a.m. The Scrutineers, USEARCH verified and announced the poll results for each resolution, which included votes in favour and against, upon which the Chairman of the 7th AGM declared that all the resolutions were carried. The poll results were also announced by KTC via Bursa LINK on the same day for the benefit of all shareholders. The Minutes of the 7th AGM (including all the Questions raised at the meeting and the Answers thereto) were made available on KTC's website: https://www.kimteckcheong.com</p> <p>Subsequent to the issuance of the Malaysian Code on Corporate Governance ("MCCG") on 28 April 2021, KTC had sought confirmation from HMC on their cyber hygiene practices to ensure data privacy and security to prevent cyber threats.</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.

Application	:	Applied
Explanation on application of the practice	:	<p>At the commencement of the 7th AGM, the Chairman, Y. Bhg. Tun Richard Malanjum briefed the members, corporate representatives and proxies present virtually at the Meeting of their right to ask questions and vote on the resolutions set out in the Notice of the 7th AGM dated 29 October 2021.</p> <p>(1) Under Agenda 1 in which the audited financial statements were laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only.</p> <p>(2) All the 8 Directors as mentioned in the Chairman's introduction speech were present at the 7th AGM to provide responses to the questions posed by shareholders via email and Webinar's Q&A box, both prior to and during the 7th AGM.</p> <p>KTC received total 11 live questions from the shareholders, corporate representative and proxies who present at the AGM. To ensure effective communication with the shareholders at a fully virtual general meeting, questions posed by shareholders were displayed on the screen for the meeting participants' reference whilst Ms. Wong Youn Kim, being the Company Secretary read out the shareholders' questions. The Questions and Answers ("Q&A") session was held for about 20 minutes from 9.50 a.m. to 10.10 a.m. which the Chairman, Tun Richard Malanjum, the Managing Director, Datuk Lau Wei Dick @ Dexter Dick Lau were fully engaged in responding to those questions received via the Q&A box from the members, corporate representatives and proxies.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>HMC Corporate Services Sdn. Bhd. (“HMC”) was engaged to provide the audio and visual support services to broadcast the proceedings of the 7th AGM virtually. It was live streamed for access via Webinar.</p> <p>(i) The Poll Administrator, HMC had verified the eligibility of shareholders/corporate representatives/proxies to attend the 7th AGM based on the General Meeting Record of Depositors as at 30 November 2021 and upon the cut-off date and time for proxy form submission. This online platform was secured exclusively for the members with approved registration for the Remote Participation and Voting (“RPV”) at the 7th AGM.</p> <p>(ii) HMC briefed the housekeeping procedures whereby the link for the Online Voting Form will be displayed in the Chat Box / Q&A Box of the Virtual Meeting Room during the meeting. The QR Code will be displayed at the commencement of the polling as announced by the Chairman. The Shareholders may scan the QR Code or click onto the link to download the voting form and thereafter proceed to complete the information as shown therein. After completing the personal particulars, the Shareholders may vote accordingly by selecting the FOR/AGAINST button in the polling form. Scroll downwards page by page and ensure that all the Resolutions are duly voted before pressing the submit button to complete the polling process.</p> <p>The Shareholders also encouraged to participate at the Meeting by submitting typed questions in real time. To submit a question, the Shareholders have to type their texts within the chat box at the bottom of the messaging screen. Questions can be submitted at any time until the announcement of the closure of Q&A session.</p> <p>The Managing Director, Datuk Lau Wei Dick @ Dexter Dick Lau who has a good understanding of the Company’s business, had managed the Q&A session smoothly and efficiently. All questions were answered and each question had been displayed on the screen as and when the Managing Director provided their responses to the respective questions accordingly in an orderly</p>

	<p>manner, to ensure the questions posed by the Shareholders made visible to all meeting participants during the AGM.</p> <p>For those Shareholders who were not able to attend the 7th AGM, he/she could listen to the recording of the meeting proceedings which were uploaded on Bursa Malaysia's website:</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

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.

Application	:	Applied	
Explanation on application of the practice	:	The Minutes of the 7th Annual General Meeting (AGM) dated 6 December 2021 duly confirmed was uploaded on KTC's website: https://www.kimteckcheong.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 PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

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