

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5305
COMPANY NAME : KNUSFORD BERHAD
FINANCIAL YEAR : March 31, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors of Knusford Berhad ("KB") is responsible for the overall corporate governance of the Company. This includes upholding high standards of ethical conduct, providing strategic direction, setting goals for management and monitoring performance to optimise the Group's performance, enhance shareholder value, and safeguard stakeholders' interests.</p> <p>All Board members are expected to act with professionalism and integrity, fulfilling their fiduciary duties with diligence and accountability. In supporting the Board, the Management led by the Executive Director ("ED") and Chief Executive Officer ("CEO") are entrusted with the implementation of business strategies and the day-to-day operations of the Group, in line with the authority delegated by the Board.</p> <p>The Board remains collectively accountable for ensuring that good corporate governance is achieved throughout the Group.</p> <p>The roles and responsibilities of the Board are clearly outlined in the Board Charter, which include:</p> <ul style="list-style-type: none">• Promoting a good corporate governance culture within the Group;• Reviewing, challenging, and approving management's proposals and overseeing their execution;• Establishing strategic plans aimed at delivering sustainable long-term value;• Supervising and assessing the performance of management;• Ensuring a sound framework of internal controls and enterprise risk management is in place;• Setting the Group's risk appetite and ensuring appropriate

	<p>measures are taken to manage both financial and non-financial risks;</p> <ul style="list-style-type: none"> • Ensuring that the management team possesses the required skills and experience, along with the succession plan; • Establishing effective communication procedures with stakeholders; and • Ensuring accurate, timely, and transparent disclosures in all public announcements and shareholder communications. 	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

Practice 1.2

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 role of the Chairman is clearly outlined in the Board Charter, which is accessible on the Company's corporate website. The responsibilities of the Chairman include the following:</p> <ul style="list-style-type: none">• Leading the Board in promoting and instilling good corporate governance practices, with a commitment to comply with the principles and recommendations set out in the Malaysian Code on Corporate Governance 2021 ("MCCG");• Leading the Board in setting the values and standards of the Group;• Fostering a relationship of trust and mutual respect between Executive and Non-Executive Directors;• Ensuring the provision of accurate, timely and clear information to Directors;• Ensuring effective communication with shareholders and relevant stakeholders;• Arranging evaluation of the performance of the Board, its Committees and individual Directors;• Facilitating the active participation and constructive engagement of Non-Executive Directors, and maintaining productive interactions between Executive and Non-Executive Directors; and• Supporting the continuous development and training of all Directors to enhance their effectiveness in fulfilling their responsibilities. <p>All Board members actively participated in the meetings, ensuring that the Board effectively fulfilled its collective responsibility in achieving the Company's objectives and strategic goals.</p> <p>The Board promotes sustainability by integrating appropriate Environmental, Social and Governance ("ESG") considerations into the Group's business activities. The oversight of sustainability-related risks and opportunities is delegated to the Risk Management Committee ("RMC").</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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 Board Charter has outlined and included the positions of Chairman and Chief Executive Officer ("CEO") are to be held by separate individuals to ensure a clear division of responsibilities and a balance of power and authority. This separation enables the Chairman and CEO to carry out their respective roles effectively, with the Chairman focused on leadership of the Board and the CEO responsible for the day-to-day management 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

<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, DYAM Tunku Ismail Ibni Sultan Ibrahim, is not a member of the Audit Committee or Nomination and Remuneration Committee. DYAM Tunku Ismail Ibni Sultan Ibrahim has not participated in any of the meetings of these two Board Committees.
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	:	The Board has appointed Ms. Lim Aik Yong as the Company Secretary, she is a qualified Chartered Secretary. She has the requisite experiences and competence to provide the necessary information and advice to the Board. The Company Secretary keep abreast of the regulatory updates and developments in Corporate Governance matters.	
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	:	<p>The Board is supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters, either through Board reports or upon specific requests. This ensure that decisions to be made on an informed basis and facilitates the effective discharge of the Board's responsibilities.</p> <p>The Company ensures the timely dissemination of meeting agendas, along with the relevant Board and Board Committee papers, to all Directors ahead of the respective meetings. Notices of Board meetings are circulated at least seven (7) days in advance, and the agenda together with the Board papers are endeavoured to be provided at least five (5) days prior to the meeting. This practice enables effective deliberation and facilitates informed decision-making. Pertinent explanations and recommendations from Management are included to provide clarity on the issues at hand. All matters tabled are thoroughly deliberated by the Board before any resolutions are made.</p> <p>The Directors are provided with the contact details of key management personnel to facilitate direct and independent access to Management. Key management personnel will provide clarification or any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.</p> <p>The Directors are provided with the contact details of key management personnel to facilitate direct and independent access to Management. This enables the Directors to seek clarification or request additional information as necessary. Key management personnel are expected to provide relevant details to ensure that the Board is equipped with comprehensive and accurate information to make balanced, informed decisions regarding the Group's performance, position, and strategic direction.</p> <p>The Company Secretary ensure that accurate and proper records of the proceedings and resolutions passed at Board and Board Committee meetings are maintained. The minutes of meetings are duly circulated to all Board members at least five days before the subsequent meetings.</p>

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

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has overall responsibility for the proper conduct of the KB’s Group’s business and the Board Charter adopted by the Board clearly sets out the following:</p> <ul style="list-style-type: none"> • the respective roles and responsibilities of the Board, Board Committees, Individual Directors, Senior Independent Non-Executive Director, Independent Directors, Chairman, Executive Director and Chief Executive Officer; and • matters that are reserved for the collective decision of the Board. <p>The Board Charter is available on the Company’s website.</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 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established ethical standards through a Code of Conduct and Ethics that applies to Directors, Senior Management and all employees and is committed to ensuring its compliance. The Code outlines key principles relating to conflict of interest, dealings with confidential information, ensuring safety, security and adherence to Company's rules, encouraging the reporting of unlawful or unethical behaviour, as well as dealing with suppliers, customers and third parties.</p> <p>This Code serves as a guide to promote integrity, accountability, and ethical conduct across the Group's operations.</p> <p>The Code of Conduct and Ethics is available at the Company's website.</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	:	The Whistleblowing Policy is readily accessible on the Company's website. This policy provides a well-defined and accessible channels for reporting any potential improprieties within the Group. It clearly outlines the definition of improper conduct and the various methods through which stakeholders can report such conduct, ensuring transparency and a structured process for addressing concerns. For the financial year under review, the Board did not receive any report/ disclosure of improper conduct.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is overall responsible for the sustainability matters and has entrusted the Risk Management Committee ("RMC") to oversee the integration of sustainability into KB and its subsidiaries.</p> <p>The CEO will be responsible to supervise and manage the overall sustainability implementation across the organisation and report to the RMC on its performance. Our sustainability governance structure includes the Sustainability Working Committee ("SWC") which comprise of representatives from the respective business functions.</p> <p>The Board is responsible for:</p> <ul style="list-style-type: none">• reviewing the effectiveness of Group's strategies, policies, principles and practices relating to sustainability, including whether these strategies, policies, principles and practices promote the Group's sustainability agenda; and• approving the Group's sustainability reporting. <p>The roles of RMC are as follows:</p> <ul style="list-style-type: none">• advising the Board and recommending to it, business strategies in the area of sustainability;• monitoring the implementation of sustainability strategies as approved by the Board;• recommending sustainability related policies to the Board for adoption, and monitoring the implementation of such policies;• recommending approval of sustainability matters to the Board;• overseeing the overall management of stakeholder engagement, including ensuring grievance mechanisms are in place;

<p>Explanation for departure</p>	<p>:</p> <ul style="list-style-type: none"> • overseeing the management of sustainability matters, with particular focus on matters material to the organisation; and • overseeing the preparation of sustainability disclosure as required by laws and /or rules, and recommending it for the Board’s approval. <p>SWC</p> <p>KB’s SWC, which would include the Company’s Chief Financial Officer and Head of Departments, is chaired by the CEO or ED. The SWC meets quarterly to review and make decisions on material issues and strategies pertaining to KB and its subsidiaries.</p> <p>The SWC is responsible for:</p> <ul style="list-style-type: none"> • developing the sustainability vision, strategy and linkage to long-term business strategies; • advising the RMC on strategies in the area of sustainability and seeking Board endorsement on sustainability matters; • identifying sustainability risks and opportunities; • originating policy and initiatives to manage sustainability risks and opportunities; • overseeing the implementation of policies and initiatives including setting targets for initiatives, assessing effectiveness etc; and • identifying and implementing the stakeholder engagement process. <p>The SWC reports to the RMC on semi-annual basis.</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Sustainability strategies, priorities, and targets have been incorporated into the Company's business activities, and have been communicated to all employees.</p> <p>Regular and proactive engagement with stakeholders is carried out through diverse communication channels to ensure the effective dissemination of the Company's sustainability strategies, priorities, and targets.</p> <p>KB’s Annual Report 2025 includes a Sustainability Statement which outlines the Company’s sustainability strategies, priorities and targets as well as performance in addressing material environmental, social, and governance (ESG) matters.</p> <p>The Annual Report 2025 is available on the website at http://www.knusford.com.my</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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 Board is primarily responsible for the implementation of the Group’s sustainability practices and performance where the task of execution and monitoring were delegated to the Sustainability Working Committee and assisted by the Head of Departments to discharge duties of embedding a sustainability culture in business.</p> <p>The Board is committed to staying abreast with and understands the sustainability agendas relevant to the Company and its business, including climate-related risks and opportunities.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Board acknowledges the importance of integrating ESG considerations and sustainability measures into both the Board’s and Senior Management’s performance evaluations to ensure accountability for achieving sustainability targets.</p> <p>The performance of the Board in addressing the Company’s material sustainability matters is assessed through the annual Board Evaluation. However, the performance evaluations of Senior Management do not currently encompass sustainability criteria.</p> <p>Once the Company develops appropriate metrics for assessing performance against sustainability targets, the sustainability evaluation will be integrated into Senior Management’s Key Performance Indicators (“KPI”).</p>	
		As stated above	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Others	Please specify number of years.

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board takes cognisance of the importance of the active participation of the Board in the Nomination and Remuneration Committee ("NRC").</p> <p>On a yearly basis, the NRC and Board reviews the tenure of the Directors as well as the composition of the Board Committees as part of the Board Effectiveness Evaluation process.</p> <p>By making reference to the Fit and Proper Policy of the Board, the NRC had reviewed the mix of skills, knowledge, professionalism, integrity, experience and other qualities to enable the Board to function completely and efficiently.</p> <p>Based on the results of the annual assessment, the NRC recommended to the Board on re-election of the Directors be put forth for shareholders' approval.</p> <p>The tenure of an Independent Director is limited to a cumulative term of nine (9) years. The Independent Director who has served the Board for a cumulative term of nine (9) years and wishes to remain as Independent Director is subject to valid justification and shareholders' approval at the Annual General Meeting through a two-tier voting process.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Group is led by an effective and experienced Board, comprising nine (9) members, made up of, five (5) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Chairman and three (3) Executive Directors. The Group also has one (1) Alternate Director. The Board comprises more than half independent directors.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.3

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	:	<p>The Company sought shareholders' approval at the last Annual General Meeting ("AGM") to retain the Independence Directors, Mr. Bernard Hilary Lawrence, Dato' Avinderjit Singh A/L Harjit Singh, Mr. Lee Wai Kuen, En. Mohd Salleh Bin Othman and Mr. Lim Foo Seng who have served as an Independent Non-Executive Directors of the Company for a cumulative term of nine (9) years through a two-tier voting process. The justifications for retaining them are as follows:</p> <ul style="list-style-type: none">a) their expertise in corporate, finance and legal matters which had significant contribution to the effectiveness of the Board and the Committees; andb) they have exercised their due care during their tenure as an Independent Non-Executive Director of the Company and they have carried out their professional duties in the interest of the Company and the shareholders. <p>The Company has put the resolutions to vote in the last AGM and the results were to retain them as Independent Directors.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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.

<i>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.</i>	
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 Group practices non-discrimination in all forms, including age, gender, ethnicity, and religion, throughout the organisation. This principle extends to the selection of Board members and Senior Management. Additionally, the Group believes it is crucial that the Board is composed of highly qualified individuals who possess the necessary knowledge, experience, competency, professionalism, independence, foresight, and good judgment to ensure the effective functioning of the Board and management team, enabling them to discharge their duties in the best interests of the Group and its shareholders.</p> <p>The management team comprises qualified individuals with diverse experiences, backgrounds and perspectives. Their collective expertise and business experience provide valuable insights and a broad ranged of perspective, enable the team to lead effectively and face challenges in an increasingly complex and competitive environment.</p> <p>The Company has also adopted the Fit and Proper Policy and a copy of the policy is available on the Company's website at www.knusford.com.my. This policy serves as a guide to the Nomination and Remuneration Committee and the Board to review and assess the candidates to be appointed onto the Board as well as Directors seeking for election or re-election.</p> <p>The profile of the Board and management team is set out in their respective profiles in the Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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	:	<p>The identification of candidates for appointment of directors is guided by the Terms of Reference of the NRC as follows:</p> <ul style="list-style-type: none"> • Identify, consider and recommend suitable persons for appointment as Directors and members of the Board Committees, relying on sources from existing Board members, Management, major shareholders, independent search firms and other independent sources. • Disclose in the Company's annual report how candidates for Non-Executive Director positions were sourced including whether such candidates were recommended by the existing Board members, Management or major shareholders and if the selection of candidates was solely based on recommendations made by existing Board members, Management or major shareholders, the Committee should explain why other sources were not used. <p>The final decision on the appointment of directors will be based on the recommendation by the NRC and approval by the Board.</p> <p>There was no new appointment of Director during the financial year 2025.</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

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The performance of the retiring directors is assessed by the NRC and Board before recommendation is made to the shareholders for consideration.</p> <p>For the appointment of the Independent Director, the NRC also assesses their relationship with the executives that might influence, or reasonably be perceived to influence their capacity to bring an independent judgement and to act in the best interests of the Company.</p> <p>To facilitate an informed decision by the shareholders on the reappointment of retiring Directors during the forthcoming AGM, the profile of the Directors is included in the Annual Report. Information contained therein included age, gender, tenure of service, directorship in other companies, working experience and any conflict of interest as well as their shareholding in the Company.</p> <p>The Board has provided a statement to support the reappointment of the directors and the reasons in the Company's Notice of AGM to be held on 10 September 2025.</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

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

Practice 5.8

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC is chaired by Ms. Jasmine Cheong Chi-May, the Independent Non-Executive Director who leads the Committee, among others:</p> <ul style="list-style-type: none">• to consider and review the Board's succession plans;• to consider and review the Senior Management's succession plans;• to review and recommend to the Board, on Board effectiveness, its present size, structure and composition of the Board as well as the required mix of skills, experience and competency required;• ensuring that the performance of each individual Director is independently assessed; and• to assess and recommend to the Board, the effectiveness of the Board Committees, the present size, structure and composition of the Board Committees as well as the required mix of skills, experience and competencies required.
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	:	As at 31 March 2025, the Board has one female director. The Board acknowledges the 30% women directors requirement under MCGG.	
		Subsequent to FYE 2025, the Board appointed Ms. Jasmine Cheong Chi-May and Ms. Lim Ts-Fei as Independent Non-Executive Director on 19 May 2025 and 11 July 2025, respectively, in compliance with Chapter 15, para 15.02(1)(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board is endeavouring to have more female Board members as and when there are suitable and qualified candidates are identified in the future.	
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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board and the Senior Management do not have specific policy on gender diversity issues.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	KB considers diversity and inclusivity in its future planning for the Senior Management successors.	
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 evaluation of the Board is conducted annually, comprising Board Assessment by Individual Directors in relation to their performance and contribution towards meeting the needs of the Company. The assessments include Self and Peer Assessment and an assessment of independence for an Independent Director. The assessment of the Board by an individual Director also includes specific criteria, covering areas such as the Board composition, structure and principal responsibilities of the Board, by making reference to the Fit and Proper Policy. For Self and Peer Assessment, the assessment criteria include contributions to interaction, role and duties, knowledge and integrity, governance and independence and risk management. The NRC meets at least once a year and conducts an annual assessment of individual Directors, the effectiveness of the Board as a whole and the Committees of the Board. The presence of the Independent Non-Executive Directors promotes objectivity and they have the competence necessary to advise the Board on its decisions. They provide an effective check and balance to the Board's decision-making process. The Board views the current evaluation process as adequate to provide an objective assessment on the effectiveness of the Board as a whole, the Board Committees and each individual director.
Explanation for departure	:

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

Measure :		
Timeframe :		

Intended Outcome

The 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 determination of the remuneration of Directors and Senior Management is guided by the Terms of Reference of the NRC, which is made available on the Company's website.</p> <p>The level of remuneration for the Directors and Senior Management is deliberated by the NRC taking into consideration the Group's and individual performances, market conditions and respective responsibilities.</p> <p>The Board, as a whole, determines the level of fees of Non-Executive and Executive Directors.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC is chaired by Ms. Jasmine Cheong Chi-May, an Independent Non-Executive Director and comprises the following members, all of whom are Independent Non-Executive Directors:</p> <ol style="list-style-type: none">1. Lee Wai Kuen2. Lim Foo Seng3. Liew Voon Keong4. Lim Ts-Fei <p>The NRC assists the Board of Directors in reviewing and making recommendations relating to the remuneration, terms of employment, reward structure and benefits in-kind for the Executive Directors, the CEO and Key Senior Management of the Group. The authority and duties of the NRC has been formalised in the Terms of Reference of the NRC, which has been uploaded and made available on the Company's website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The remuneration breakdown of individual directors includes fees, salary, allowance, bonus, benefits in-kind and other emoluments has been disclosed as follows:

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	DYAM Tunku Ismail Ibrni Sultan Ibrahim	Non-Executive Non-Independent Director	30	-	-	-	-	-	30	30	-	-	-	-	-	30
2	Lim Chen Heng	Executive Director	30	120	345	-	7	56	558	30	120	345	-	12	56	563
3	Lim Chen Thai	Executive Director	30	60	405	-	-	56	551	30	60	405	-	28	56	579
4	Lim Sew Hua	Executive Director	30	25	576	-	-	20	651	30	25	576	-	13	20	664
5	Bernard Hilary Lawrence	Independent Director	30	-	-	-	-	-	30	30	-	-	-	-	-	30
6	Dato' Avinderjit Singh A/L Harjit Singh	Independent Director	30	-	-	-	-	-	30	30	-	-	-	-	-	30
7	Lee Wai Kuen	Independent Director	30	-	-	-	-	-	30	30	-	-	-	-	-	30
8	Lim Foo Seng	Independent Director	36	-	-	-	-	-	36	36	-	-	-	-	-	36
9	Mohd Salleh Bin Othman	Independent Director	30	-	-	-	-	-	30	30	-	-	-	-	-	30
10	Liew Voon Keong	Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Jasmine Cheong Chi-May	Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Lim Ts-Fei	Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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				
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				

15	Input info here	Choose an item.	Input info here													
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Intended Outcome

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

Practice 8.2

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

Application	:	Departure																						
Explanation on application of the practice	:																							
Explanation for departure	:	<p>The Board believes that disclosing the specific components of all the Senior Management's remuneration may not be in the best interest of the Group, given the competitive landscape for talent recruitment and retention within the industry. Furthermore, due to the confidentiality of the remuneration packages, the Board has disclosing Senior Management remuneration in bands of RM50,000.</p> <p>The aggregate remuneration paid to the top 5 Senior Management members (including the Chief Executive) of the Group during the financial year, analysed into bands of RM50,000, is as follows:</p> <table border="1"> <thead> <tr> <th>Remuneration Band (RM)</th> <th>Number of Senior Management</th> </tr> </thead> <tbody> <tr> <td>650,001 - 700,000</td> <td>1</td> </tr> <tr> <td>300,001 - 350,000</td> <td>2</td> </tr> <tr> <td>250,001 - 300,000</td> <td>2</td> </tr> </tbody> </table> <p>The remuneration breakdown of the Chief Executive salary, allowance, bonus, benefits in-kind and other emoluments has been disclosed as follows:</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Salary (RM)</th> <th>Allowance (RM)</th> <th>Bonus (RM)</th> <th>Other Emoluments (RM)</th> <th>Benefits-in-kind (RM)</th> <th>Total (RM)</th> </tr> </thead> <tbody> <tr> <td>Heng Hock Lai</td> <td>378,000</td> <td>222,000</td> <td>31,500</td> <td>25,260</td> <td>12,500</td> <td>669,260</td> </tr> </tbody> </table>	Remuneration Band (RM)	Number of Senior Management	650,001 - 700,000	1	300,001 - 350,000	2	250,001 - 300,000	2	Name	Salary (RM)	Allowance (RM)	Bonus (RM)	Other Emoluments (RM)	Benefits-in-kind (RM)	Total (RM)	Heng Hock Lai	378,000	222,000	31,500	25,260	12,500	669,260
Remuneration Band (RM)	Number of Senior Management																							
650,001 - 700,000	1																							
300,001 - 350,000	2																							
250,001 - 300,000	2																							
Name	Salary (RM)	Allowance (RM)	Bonus (RM)	Other Emoluments (RM)	Benefits-in-kind (RM)	Total (RM)																		
Heng Hock Lai	378,000	222,000	31,500	25,260	12,500	669,260																		

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

Measure	:	As stated above	
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.				
2	Input info here	Input info here	Choose an item.	Choose an item.				
3	Input info here	Input info here	Choose an item.	Choose an item.				
4	Input info here	Input info here	Choose an item.	Choose an item.				
5	Input info here	Input info here	Choose an item.	Choose an item.				

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Audit Committee ("AC") is chaired by Mr. Lim Foo Seng, an Independent Non-Executive Director, who is distinct from the Chairman of the Board. The Chairman of the AC acts as the key contact between the committee members and Board as well as Senior Management.	
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 Terms of Reference of the AC requires that no former audit partner shall be appointed as a member of AC unless he/she has served a cooling off period of at least three (3) years before being appointed as a member of the AC. None of the AC members were previous partners or Directors of the Company's external audit firm within the last 36 months and none of the AC members hold any financial interest in the external audit firm.	
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 AC is required by its Terms of Reference to assess and monitor the performance, suitability, objectivity and independency of the external auditor annually.</p> <p>The external auditor had provided a confirmation to the Committee that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>The Committee approves the terms of all audit services as well as permitted audit-related and non-audit services. The external auditor is only considered for permitted non-audit services when its expertise and experience are required.</p> <p>The Committee considers the reappointment of the external auditor each year before making a recommendation to the board. The Committee is satisfied with the suitability and independence of the external auditor based on the quality of services rendered, sufficiency of the firm and professional staff assigned to the annual audit as well as the non-audit services performed for the financial year ended 31 March 2025 and has recommended their re-appointment at the forthcoming AGM.</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	:	All five (5) members of the Audit Committee are 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	:	<p>The AC Chairman is a member of the Malaysian Institute of Certified Public Accountants and a member of the Malaysian Institute of Accountants. He is experienced in the finance and corporate sectors with considerable knowledge, experience and exposure in management consultancy, taxation and accounting and auditing.</p> <p>The committee also comprise members who possess the necessary skills to discharge its duties and are financially literate, competent and have the ability to understand matters under the purview of the AC including the financial reporting process.</p> <p>During the financial year, the Group had organised training course namely "Moderating Anti Bribery and Corruption Risks, and Corporate Liability Offence under Section 17A of MACC Act 2009 (Amendment 2018)" on 10 December 2024 which was attended by majority of the Directors and Senior Management. Majority of the members of the AC attended the said training. In addition, several Directors also participated in various external seminars and training programmes. As at the date of this report, 7 out of 10 Directors (including 1 Alternate Director) of the Company have completed the Mandatory Accreditation Programme II (MAP II) organised by the Institute of Corporate Directors Malaysia (ICDM).</p> <p>The Group will continue to organise development and training programmes for the benefit of Directors and in addition, the Directors individually are encouraged to equip themselves with knowledge on the new developments in the business environment by attending other relevant courses, trade fairs, seminars and conferences.</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	:	<p>The Board acknowledges its overall responsibilities over the effectiveness of its risk management and internal control system, which include:</p> <ul style="list-style-type: none">• Ensure that there is a sound framework for internal controls and risk management;• Oversee, review and monitor the operation, adequacy and effectiveness of the Group's system of internal controls;• Understand the principal risks of all aspects of the Company's business;• Set 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;• Monitor compliance with established policies and procedures;• Review the efficiency and quality of the Group's financial reporting process and system of accounting and internal controls;• Ensure the integrity of the Group's financial and non-financial reporting; and• Oversee the Group's policies as a whole which includes the Code of Conduct. <p>The Board has delegated its role in the review process to the AC and RMC.</p> <p>However, the Board, as a whole, remains accountable for the actions of these committees in executing their delegated roles. This includes overseeing the review outcomes and ensuring the appropriate disclosure of key risks and internal controls in the Company's Annual Report.</p> <p>The Statement on Risk Management and Internal Control in the Annual Report details the features of the risk management and internal control systems 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

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>A Risk Management Framework has been established and guided by ISO 31000:2018 Risk Management – Guidelines. This framework incorporates processes for identifying, assessing, responding, monitoring and reporting risks and ultimately bringing significant risks to the attention of Senior Management and the Board for immediate action. The internal control and risk management framework are designed to manage rather than eliminate risks and to provide reasonable but not absolute assurance against any material misstatement or loss.</p> <p>Based on the results of the risk assessment, the Group’s principal risks such as market risk, integrity risk, operational risk, credit risk etc., have been identified as well as controls in place to mitigate or manage these risks.</p> <p>Based on the various procedures and controls put in place by the Group, the work performed, risk assessment reports and reports submitted by the internal and external auditors, the Board has reviewed and are satisfied that risk management and internal control system put in place for the year under review and up to the date of approval of this statement are adequate and effective to safeguard the interest of all shareholders, the Group’s assets and other stakeholders.</p> <p>The Statement on Risk Management and Internal Control in the Annual Report 2025 describes the features of the risk management and internal control systems of the Group.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Risk Management Committee ("RMC") is chaired by Mr. Lee Wai Kuen, an Independent Non-Executive Director and comprise of majority of Independent Directors. The members of the RMC are as follows: -</p> <ol style="list-style-type: none">1. Lim Foo Seng (Independent Non-Executive Director)2. Liew Voon Keong (Independent Non-Executive Director)3. Jasmine Cheong Chi-May (Independent Non-Executive Director)4. Lim Ts-Fei (Independent Non-Executive Director) <p>Included in the role of the RMC is to evaluate the risks that the Group face and identify action plans to mitigate those risks. The RMC's responsibilities were expanded to encompass the oversight for matters related to ESG and Sustainability risks.</p>

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's internal audit function is outsourced to a professional service firm, Messrs Resolve IR Sdn. Bhd. ("IA"), to provide AC with an independent assessment on the adequacy and effectiveness of the Group's system of internal controls.</p> <p>To ensure that the responsibilities of IA are fully discharged, the AC: -</p> <ol style="list-style-type: none"> a. Conducted assessment on internal audit functions to evaluate its performance and effectiveness; b. Reviewed and recommended the appointment of outsourced internal auditors; c. Reviewed and approved the risk based internal audit plan; d. Reviewed the internal audit reports, recommendations and Management's response arising from the audit issues; e. Discussed with internal auditors during the AC meeting on current issues highlighted during evaluation of internal control systems of the Group and follow up on issues highlighted previously to ensure that appropriate action plans had been carried out by Management on a timely basis; and f. Reported to the Board on significant issues and concerns discussed during the AC meeting. <p>For further details on the Group's internal audit function, please refer to the AC Report in the Annual Report 2025.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit engagement is led by Mr. Choo Seng Choon (Mr. Choo) who has diverse professional experience in internal audit, risk management and corporate governance advisory.</p> <p>He is a Certified Internal Auditor and Chartered Member of the Institute of Internal Auditors with over 25 years of professional experience in multidiscipline including internal audit, risk management, corporate governance, performance and business management, IPOs, taxation, due diligence, and corporate finance. Mr. Choo is also a Fellow Chartered Certified Accountant, UK, Chartered Accountant of the Malaysian Institute of Accountants (“MIA”) and Certified Public Accountant of the Malaysian Institute of Certified Public Accountants (MICPA”).</p> <p>The number of staff deployed for the internal audit reviews ranged from 3-4 staff per visit including the engagement with the Executive Director. The staff involved in the internal audit reviews possess professional qualification and/or a university degree. Most of them are members of the Institute of Internal Auditors Malaysia. The internal audit staff on the engagement are free from any relationships or conflicts of interest, which could impair their objectivity and independence.</p> <p>The internal audit was conducted using a risk-based approach and was guided by the International Professional Practice Framework (“IPPF”).</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 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of keeping shareholders informed of all material business matters affecting the Company. To this end, the Board adopts an open and transparent approach in its engagement with shareholders and investors. The Board ensures the timely release of quarterly financial results to provide shareholders with a clear overview of the Company's performance and operations, in addition to the various announcements made throughout the financial year.</p> <p>The Group maintains a corporate website at www.knusford.com.my, which serves as a key communication channel with stakeholders. The website is regularly updated and contains various information, including but not limited to the following:</p> <ul style="list-style-type: none">(a) Announcements submitted to Bursa Malaysia Securities Berhad;(b) Investor section which provides relevant corporate information; and(c) General telephone number, fax number and email address.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	Notice of the AGM was given to shareholders at least 28 days in advance to ensure that shareholders have sufficient time to prepare and digest issues to be raised during the meeting.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>8 out of 9 directors were in attendance at the 28th AGM held on 25 September 2024. The Chairman was absent with apologies due to unexpected exigencies.</p> <p>The proceedings of the AGM included the presentation of financial statements to the shareholders, follow by a question-and-answer session. During the session, the Chairman of the AGM invited shareholders to raise questions regarding the Company’s financial statements and other resolutions tabled for adoption at the AGM, prior to proceeding with the voting process.</p> <p>The Chairman of the Board Committees are also readily available to address questions posted by the shareholders at the AGM.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 28th AGM of the Company held on 25 September 2024 was conducted fully virtual through live streaming via Remote Participation Voting (“RPV”) facilities platform. The RPV facilities platform enabled remote shareholders’ participation and online remote voting by leveraging on technology in accordance with Section 327 (1) and (2) of the Companies Act 2016 and Clause 53(4)(b) of the Constitution of the Company. In addition, the Company appointed an independent scrutineer to verify the votes casted at the meeting.</p> <p>The Administrative Guide of the AGM including the procedures for RPV facilities were shared with the shareholders together with the dispatch of the Notice of AGM. The Administrative Guide for the AGM has indicated clearly the registration steps which has cover as well as the privacy policy for the registration.</p> <p>Agmo Digital Solutions Sdn Bhd (“AGMO”) was appointed as Poll Administrator to conduct the electronic polling process and the registration process for the 28th AGM. AGMO has in place its IT policy and information security policy, endpoint control, data classification for cyber hygiene practices of its platform. In addition, the online platform provided is hosted in a secured cloud platform and the data centre in ISO27001/SOC2 certified.</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

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 28 th AGM of the Company, shareholders were welcomed to pose questions to the Board. All questions raised and addressed by the Board were recorded in the minute, which subsequently uploaded to 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 13.5

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 :	<p>The Company leveraged on technology to conduct its fully virtual 28th Annual General Meeting (“AGM”) on 25 September 2024, enabling remote participation by shareholders and facilitating electronic voting. Measures were taken to ensure the security of the virtual platform, including the protection of data privacy and prevention of cyber threats. The virtual meeting host provided the necessary infrastructure and tools to support the live broadcast of the AGM, and questions raised by shareholders were made visible to all participants during the meeting.</p> <p>Shareholders and proxies were given the opportunity to submit their questions either in advance or in real time during the live streaming of the AGM.</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 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	The minutes of the 28 th AGM were uploaded to the Company's website within 30 business days following the conclusion of the 28 th 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	:	

**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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