

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 7077  
**COMPANY NAME** : KERJAYA PROSPEK PROPERTY BERHAD  
**FINANCIAL YEAR** : March 31, 2024

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

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

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

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

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors of Kerjaya Prospek Property Berhad (“<b>Company</b>”) (“<b>Board</b>”) is mindful of the importance of the establishment of clear roles and responsibilities in discharging its fiduciary and leadership functions including those reserved for the Board's approval and those which the Board may delegate to the Board Committees and the Management and committed to ethical values and standards. The Board Committees, namely Audit &amp; Risk Management Committee, Nomination Committee and Remuneration Committee are entrusted with specific responsibilities to oversee the Group's affairs with authority to act on behalf of the Board and operate within their respective terms of reference. Although specific powers are delegated to the Board Committees, the Board Committees shall report to the Board on matters considered and make recommendation to the Board for further decision. The minutes of the Board Committees are also tabled to the Directors at quarterly Board Meetings for information.</p> <p>In discharging the Board's duties, the Board is guided by its Board Charter, Code of Conduct, Code of Ethics as well as the terms of reference of the Board Committees as they sets out the Board's roles, duties and responsibilities, the principles and practices of corporate governance to be followed and its commitment of fair practices to its stakeholders. Further information on Board Charter, Code of Conduct and Code of Ethics are discussed in Section 1.5 of the Corporate Governance Overview Statement contained in the Annual Report 2024 whilst details on the terms of reference of the Board Committee are published in the Company's website at <a href="http://www.kpproperty.com.my">www.kpproperty.com.my</a>.</p>
<b>Explanation for departure</b>	:	

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

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

**Intended Outcome**

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

**Practice 1.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Chairperson of the Board is responsible for instilling good governance practices, provides leadership to the Board, chairing the meetings of the Company and the Board, represents the Board in engaging with to shareholders, and together with the Board, reviews and approves the strategic objective and policies of the Group.</p> <p>The Chairperson sets the board agenda in consultation with the Management and the Company Secretaries and ensures that board members receive complete and accurate information in a timely manner.</p> <p>When chairing the Board meetings, the Chairperson will lead and provide explanation to the Board on the board agenda and encourage participation from other Board members during the Board meeting deliberation. The Chairperson will lead and engage with investors, analysts, media and shareholders and communicated to the Board on the feedbacks received, if any.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The roles of the Chairperson and Chief Executive are distinct and separate to engender accountability and facilitate clear division of responsibilities to ensure that there is a balance of power and authority in the Company.</p> <p>The Chairperson of the Board is responsible for instilling good governance practices, provides leadership at Board Level, chairing meetings of the Company and the Board, represents the Board in engaging with shareholders and together with the Board, reviews and approves the strategic objectives and policies of the Group.</p> <p>The Chief Executive is responsible for the implementation of the strategic plan, policies and decision adopted by the Board to achieve the objective of creating long term value for the Group for the benefit of its shareholders.</p> <p>The respective roles and responsibilities of the Chairperson is set out in the Board Charter of the Company which is published on the Company's website at <a href="http://www.kpproperty.com.my">www.kpproperty.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: Presently, the Chairperson of the Board is not a member of the Audit & Risk Management Committee ("ARMC"), Nomination Committee ("NC") or Remuneration Committee ("RC") and did not participate in the meetings of the said Board Committees.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

## Intended Outcome

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

## Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In order to uphold the Board effectiveness, the Board ensures that it is supported by qualified and competent Company Secretaries. Presently, the Board is assisted by two (2) qualified and competent Company Secretaries who are members of Malaysian Institute of Chartered Secretaries and Administrators. The Company Secretaries support the Board in carrying out its fiduciary duties and stewardship role and play an advisory role to the Board, particularly with regards to compliance with regulatory requirements, guidelines, legislations, corporate disclosure and governance related practices. All Directors have unrestricted access to the advice and services of the Company Secretaries. The appointment and removal of Company Secretaries or Secretaries of the Board Committees shall be the prerogative of the Board as a whole.</p> <p>The key responsibilities carried out by the Company Secretaries during the financial year ended 31 March 2024 ("FYE 2024") are as follows:</p> <ul style="list-style-type: none"><li>• Co-ordinated with the Board on the meeting agenda and schedule;</li><li>• Managed all Board and Board Committee meetings;</li><li>• Attended and prepared minutes of all Board and Board Committee meetings (including Board/Board Committee Circular Resolutions);</li><li>• Briefed and updated the Board on the provisions of Companies Act 2016, latest changes on Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Listing Requirements") and Malaysian Code on Corporate Governance ("MCCG") and their applications;</li><li>• Assisted the Company in reviewing the Corporate Governance Overview Statement and other relevant statements/report contained in the Annual Report 2023;</li><li>• Assisted the Board in preparing the Circular to Shareholders on Proposed Renewal of Share Buy-Back Authority and Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions;</li><li>• Assisted the Board in drafting/reviewing and submitting all announcements required to be made by the Company pursuant to the Listing Requirements;</li></ul>

	<ul style="list-style-type: none"> <li>• Assisted the Board in lodging all sorts of statutory forms/notifications to Companies Commission of Malaysia as required under the Companies Act 2016;</li> <li>• Advised the Board on the requirements of solvency test for share buy-back and dividend; and</li> <li>• Managed annual general meeting (“AGM”) proceedings.</li> </ul>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		



### Intended Outcome

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

### Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board and the Board Committees meet regularly on scheduled dates throughout the year to consider pre-set agenda items together with a formal schedule of matters specifically reserved for the Board for its deliberation and decision. To assist Directors in planning their attendance, meeting dates are discussed and notified to all Directors three (3) months in advance and additional dates for meetings would be at a shorter notice, as and when required for specific purpose.</p> <p>The Board ensures that each Director received timely notices. Meeting notices and materials (including meeting minutes) relating to the agenda items thereto are usually circulated to the Directors/Board Committees Members seven (7) days prior to the meeting date. This allows Directors to review and consider the meeting papers and if necessary, seek further explanations to be fully briefed before the meeting. Sufficient time is also allocated at the meetings for discussion of the matters tabled under the agenda and for the Management to response to additional request for information which Directors may make during meetings.</p> <p>The Company Secretaries ensure that all Board and Board Committees' meetings are properly convened. Draft meeting minutes are circulated to the chairperson of the meeting for review as soon as the minute is drafted. Meeting minutes record the proceedings of the meeting and resolutions passed by the Board/Board Committees including the names of the Directors abstained from voting or deliberation on a particular matter.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

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

### Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has formally adopted a Board Charter and it was last reviewed on 26 May 2023. The Board Charter sets out, amongst others, the roles and responsibilities of the Chairperson, the Chief Executive, the Board, the Board Committees and the Management. It also sets out the processes and procedures for convening board meeting, governance matters, risk management, compliance and internal controls, etc. The Board Charter will be reviewed periodically and updated in accordance with the needs of the Company to ensure consistency with the Board's strategic intent as well as relevant standards of corporate governance.</p> <p>Separately, the Board has also defined the terms of reference of its Board Committees. These Board Committees are responsible to carry out the functions and responsibilities in accordance to their respective terms of reference and to report back to the Board for decision. More information about the Board Committees are set out in Section 2.1 of the Corporate Governance Overview Statement contained in the Annual Report 2024. Additionally, the Board Charter and Terms of Reference of the Board Committees are published on the Company's website at <a href="http://www.kpproperty.com.my">www.kpproperty.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has in place the Corporate Code of Conduct for the Board and the Management. The said Code of Conduct provides guidance to stakeholders on the ethical behaviour to be expected from the Group and sets out the responsibilities of the Board as well as the responsibilities of the Management to communicate, measure and monitor its values and performance to achieve objectives and to instil values.</p> <p>The Board has formally adopted its Code of Ethics which sets out the principles and the expected standard of ethical and behaviour. The Group also practises "No Gift Policy" in dealing with third parties in order to manage conflicts of interest and corruption.</p> <p>The Corporate Code of Conduct and Code of Ethics are published on the Company's website at <a href="http://www.kpproperty.com.my">www.kpproperty.com.my</a>.</p> <p>Through discussions and reviews with the Management, the Board has also established, inter-alia, Whistleblowing Policy &amp; Procedure, Anti-Bribery and Corruption Policy &amp; Guidelines, Directors' Fit &amp; Proper Policy, Remuneration Policy &amp; Procedures and Stakeholders' Communication Policy.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Group practises an open and honest policy in enabling the employees to report on any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse involving resources of the Company. Hence, the Board has established its Whistleblowing Policy & Procedure that aims to provide and facilitate a mechanism for any individual to report concerns about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse. Stakeholders who know of, or suspect a violation of this policy may report the incidence and their concerns to ARMC Chairman, Mr. Kuan Ying Tung by emailing to <a href="mailto:whistleblowing@kpproperty.com.my">whistleblowing@kpproperty.com.my</a> . The Whistleblowing Policy & Procedure is published on the Company's website at <a href="http://www.kpproperty.com.my">www.kpproperty.com.my</a> .
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.1

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board holds the ultimate responsibility in ensuring the Group's business strategies consider long-term sustainability, including environmental, social, and governance aspects, in supporting the achievement of the Company's long-term objectives. Relevant policies or approaches are established to address these sustainability matters, supported by implementation strategies, action plans, and targets which shall be carried out or achieved by the Management.</p> <p>The Board is assisted by a Sustainability Steering Committee. The Sustainability Steering Committee is a management-level committee, led by the Executive Chairperson, with the Executive Director sitting as committee member. The Management, supported by the Sustainability Steering Committee, is responsible for driving, developing, and implementing the Group's sustainability strategies and achieving the associated targets. The Sustainability Steering Committee is also responsible for developing sustainability policies for the Board's approval. In this regard, the Board provides oversight, challenging the assumptions made by the Management and Sustainability Steering Committee in their proposed sustainability strategies and policies, as well as reviewing Management's performance to ensure the Group's sustainability developments, directions, and goals remain relevant. The Sustainability Steering Committee is further supported by a Sustainability Function Teams which comprises the heads of different departments and functions of the Group. The committee is responsible to carry out the functions and responsibilities in accordance to its terms of reference and to report back to the Board for decision.</p>
<b>Explanation for departure</b>	:	

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

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



**Intended Outcome**

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

**Practice 4.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Sustainability Report contained in the Company’s Annual Report 2024 discusses the sustainability strategies, priorities, targets, and performance of the Group for FYE 2024 incorporating the elements from the aspects of economic, environmental, social, and governance.</p> <p>The Sustainability Report provides the internal and external stakeholders an overview on how the Group addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.</p> <p>From time to time, the sustainability strategies, priorities and targets as well as performance against these targets are communicated to our internal and external stakeholders regularly via:</p> <ul style="list-style-type: none"> <li>• Internal – emails, employee engagement, presentation to management team and etc.</li> <li>• External – Corporate website, annual report, press releases, investor presentations, quarterly analysts’ briefings and etc.</li> </ul>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board has the overall responsibility of overseeing the Group's sustainability matters, its direction and performance. Material sustainability matters are discussed during the Board meetings. The Board provides its views and opinions on any of the Group's sustainability issues during the Board meetings.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.4

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	The evaluation of the Board performance for FYE 2024 did not include a review of the performance of the Board in addressing the Company's material sustainability risk and opportunities.
		Please refer to the Sustainability Report contained in the Annual Report 2024 which outlined the sustainability activities undertaken by the Group. Although the evaluation of Board performance did not include a review of the performance of the Board in addressing the Company's sustainability matters, the Board constantly have discussion on sustainability risk and opportunities at Board meetings.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The Management will develop criteria and questionnaires to appropriately review the Board and Senior Management's performance evaluations on sustainability risk and opportunities.
<b>Timeframe</b>	:	Choose an item.

### Intended Outcome

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

### Practice 4.5- Step Up

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

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Sustainability Steering Committee is led by the Executive Chairperson, with the Executive Directors sitting as committee members. The Management, supported by the Sustainability Steering Committee, is responsible for driving, developing, and implementing the Group's sustainability strategies and achieving the associated targets. The Sustainability Steering Committee is also responsible for developing sustainability policies for the Board's approval. In this regard, the Board provides oversight, challenging the assumptions made by the Management and Sustainability Steering Committee in their proposed sustainability strategies and policies, as well as reviewing Management's performance to ensure the Group's sustainability developments, directions, and goals remain relevant. The Sustainability Steering Committee is further supported by a Sustainability Function Teams which comprises the heads of different departments and functions of the Group.

## Intended Outcome

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

## Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board comprises long service executive directors and independent directors. As at 31 March 2024, the length of service of the Independent Directors ranged from five (5) to six (6) years.</p> <p>The tenure of each Director is reviewed by the NC annually and annual re-election of the Director is contingent on satisfactory evaluation of the performance of the Director for the financial year. During the FYE 2024, there was no new appointment to the Board.</p> <p>The Board via the NC conducts an annual evaluation of the Board's performance by sending out a set of Board Evaluation Questions to all the Directors. Findings were compiled and deliberated during the NC Meeting and thereafter, recommendations for improvement together with the findings were reviewed by the Board for further action.</p> <p>All Directors seeking for re-election at the AGM are contingent upon satisfactory evaluation of the director's performance and contribution to the Board. Annual Board performances and effectiveness were carried out.</p> <p>The NC has deliberated on the results of the annual assessment, details of which can be found in Section 2.7 of the Corporate Governance Overview Statement contained in the Annual Report 2024. The NC has also considered the re-election of Directors and on satisfactory evaluation of each of the above Director's performance took into consideration the Directors' attendance, participation and contribution, recommended that the retiring Directors at the AGM be re-elected as Director thereat.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

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

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

**Practice 5.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board boasts a sufficiently independent presence, with three (3) out of five (5) Directors being independent directors. This complies fully with the requirement for one-third (1/3) of board members to be independent, as outlined in paragraph 15.02(1) of the Listing Requirements, and also aligns with this Practice 5.2 of the MCCG, which requires that at least half of the Board members comprises independent directors.</p> <p>The Board is satisfied with the current composition of independent directors whom provided independence as its able to support objective and independent deliberations for effective oversight of management, particularly given the absence of long serving independent directors on the Board.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has in place Independent Directors Assessment Policy which observes the recommendation of MCCG regarding tenure of an independent director. Pursuant to the said policy, the tenure of an independent director should not exceed a cumulative term of nine (9) years from the date of first appointment. Upon completion of nine (9) years, the Board may subject to the assessment of the NC, on an annual basis at AGM, recommend and subject to valid justifications and obtaining shareholders' approval, retain an independent director beyond the nine (9) years' term through a two-tier voting process. Should the resolution tabled to the shareholders to retain an independent director who has served for nine (9) years or more in the same capacity be defeated, the said independent director may continue to serve on the Board but shall be redesignated as a non-independent non-executive director. Where the tenure of an independent directors exceeds a cumulative term of twelve (12) years or more in the same capacity, the said independent director if continue to serve on the Board, shall be redesignated to non-independent non-executive director.</p> <p>Having said that, the Board is of the view that the independence of the Independent Directors should not be determined solely or arbitrarily by their length of service. Independence should also be judged based on the integrity and objectivity of the Independent Director in discharging his/her responsibilities. The Board believes that continued contribution will provide stability and benefits to the Board and the Company as a whole, especially their invaluable knowledge of the Group and its operations gained through the years.</p> <p>Currently, none of the Independent Non-Executive Director of the Company has served beyond a tenure of nine (9) years.</p>
<b>Explanation for departure</b>	:	



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

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

**Intended Outcome**

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

**Practice 5.4 - Step Up**

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

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

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

## Intended Outcome

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

## Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the benefit of gender diversity. The Board through its NC conducted Board appointment process in a manner that promote gender diversity as formalised in the Gender Diversity Policy and Target (“Gender Diversity Policy”) adopted by the Company on 26 May 2023.</p> <p>Based on the Gender Diversity Policy, the Board shall comprise at least one (1) woman director at all times. The Board endeavoured to have at least 30% women directors on the Board. At the management level, a few senior management positions are held by women employees. The Board will continue to provide a working environment that is conducive, fair and with equal opportunities within the Group and to commit to zero tolerance of workplace harassment, age, religious, ethnicity, race or gender discrimination.</p> <p>The 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. The current diversity in the ethnicity, age distribution and skillsets of the existing Board members are disclosed in Section 2.6 of the Corporate Governance Overview Statement contained in the Annual Report 2024.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.6

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has in place a policy on Nomination Process of Directors to guide the NC to identify, evaluate, select and recommend to the Board the candidate to be appointed as Director. The Board has also adopted the Fit and Proper Policy on 15 June 2022 in line with the requirements of Main Market Listing Requirements and MCCG. The purpose of the Fit and Proper Policy is to set out the Company's approach to the assessment of the fitness and propriety of key responsible persons, i.e. persons who hold, or who are the appointed or elected as Directors on the Board as well as Senior Management of the Group.</p> <p>The NC, which is chaired by an Independent Non-Executive Director is involved in all appointments or re-elections of directors. For a new appointment, potential candidates may be proposed by existing Board members, senior management, major shareholders and third-party referral/sources to identify suitably qualified candidates, when necessary. New board candidates proposed to fill vacancy arises from resignation, retirement or any other reasons will be reviewed by NC before recommending to the Board for further deliberation. The evaluation process may include, reviewing the candidate's resume, biographic information, qualifications, skills, knowledge, expertise, experience, competency and his/her understanding of the Group's business environment. To further step-up the practice of good governance, the NC also takes into consideration into gender and diversity aspects, details of which are set out in Section 2.6 of the Corporate Governance Overview Statement contained in the Annual Report 2024. During the FYE 2024, there was no new appointment to the Board.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

### Intended Outcome

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

### Practice 5.7

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	There is no new Board appointment in FYE 2024. Particular of the present Board members such as their age, gender, tenure of service, directorships in other companies, working experience, shareholdings in the Company and conflict of interest situation are set out in the profiles of Directors as contained in the Annual Report 2024. These information are also available at the Company's website at <a href="http://www.kpproperty.com.my">www.kpproperty.com.my</a> .	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	: The NC is chaired by Mr. Kuan Ying Tung, an Independent Non-Executive Director.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	Presently, the Board consists of five (5) Directors with a mixture of gender, where 20% of the Board members are women Directors. To comply with the 30% women Directors, the Board requires to appoint one (1) more women Director to the present composition	
		Based on the Company's Gender Diversity Policy, the Board shall comprise at least one (1) woman director at all times. However, the Board endeavors to have at least 30% women directors on the Board as deemed fit. Female representation will be considered when suitable candidates are identified.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	



**Intended Outcome**

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

**Practice 5.10**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board is committed to ensure that its composition reflects the diversity as recommended by the MCGG and have the right mix of skills to achieve of the Company's goals. The Board's Gender Diversity Policy and Target is available on the Company's website at <a href="http://www.kpproperty.com.my">www.kpproperty.com.my</a> .	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

### Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The Board via its NC conducts an annual evaluation of the Board’s performance by sending out Board Evaluation Questionnaires to all the Directors. Findings were compiled and deliberated during the NC Meeting and thereafter, recommendations for improvement together with the findings were reviewed by the Board for further action.</p> <p>All the Board Committees were also evaluated annually by the Board to ensure their performance are satisfactory.</p> <p>The Directors who are subject to re-election at the next AGM will be assessed by the NC before recommendation is made to the Board and shareholders for the re-election as Directors.</p> <p>Full details on the annual evaluation of the performances of the Board, the Board Committees and Directors are set out in Section 2.7 of the Corporate Governance Overview Statement contained in the Annual Report 2024.</p>
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>When implementing the remuneration policies and deliberating remuneration related matters, the RC is guided by the Company's Remuneration Policy and Procedures, which are periodically reviewed and the Terms of Reference of the RC which can be found on the Company's website.</p> <p>The remuneration policy of the Company provides that all Executive Directors and Senior Management are remunerated based on the Group and individual's performances, market conditions and their given responsibilities whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience, level of responsibilities assumed in the Board and Board Committees, their attendance and/or special skills and expertise they bring to the Board.</p> <p>The Executive Directors shall be entitled to participate in the Company's annual cash bonus. The amount of bonus shall be reviewed and determined by the RC, who makes recommendation to the Board for approval. Salaries (fixed sum or by way of a percentage of profits) and other remuneration including benefits payable to Executive Directors pursuant to a contract of service need not be determined by the Company in general meeting and it may not include a commission on or a percentage of turnover. Executive Directors shall also be entitled to other benefits provided to employee of the Company and other additional benefits, if so, recommended by the RC to the Board for approval.</p> <p>The remuneration of Non-Executive Directors, including Directors' fees, meeting allowances and other benefits as stipulated in the Constitution of the Company, is proposed by the RC and determined by the Board, is subject to shareholders' approval at a general meeting pursuant to Section 230(1) of the Companies Act 2016.</p>

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

### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has a RC which operates within its defined Terms of Reference, a copy of which can be obtained from the Company's website at <a href="http://www.kpproperty.com.my">www.kpproperty.com.my</a>.</p> <p>The members of the RC are as follows and comprised wholly Independent Non-Executive Directors:</p> <p>(1) Mr. Kuan Ying Tung (Chairman) (2) Ir. Low Wu Shin (Member) (3) Mr. Tee Sun Ee (Member).</p> <p>The RC is heavily involved in the deliberation of the directors' remuneration, the ultimate responsibility for determining the remuneration of all Directors lies with the Board. On the recommendation of the RC, the Board reviews and approves the remuneration of the Executive Directors with the respective Executive Director having abstained from discussions and decisions on their own remuneration. Under normal circumstances, the respective Director(s) would be excused from the relevant meetings before the deliberation on their remuneration take place.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

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

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	

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	Datin Toh Siew Chuon	Executive Director	-	-	-	-	-	-	-	-	-	651	159	-	98	908
2	Dato' Tee Eng Seng	Executive Director	-	-	-	-	-	-	-	-	-	651	159	-	98	908
3	Kuan Ying Tung	Independent Director	61	7	-	-	-	-	68	61	7	-	-	-	-	68
4	Low Wu Shin	Independent Director	42	5	-	-	-	-	47	42	5	-	-	-	-	47
5	Tee Sun Ee	Independent Director	42	7	-	-	-	-	49	42	7	-	-	-	-	49
6	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
7	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here



### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The total remuneration of senior management comprising annual salary, bonus, benefits in-kind and other emolument is determined based on their annual performance appraisal, inflation and overall performance of Company.</p> <p>Recognising the confidential and commercially sensitive nature of remuneration matters and prioritising the stability and continuity of business operations with a competent and experienced management team, the Board takes the view that there is no necessity for the Group to disclose the names of senior management personnel who are not Directors, along with their specific remuneration details.</p> <p>While acknowledging the importance of transparency in disclosing senior management remuneration, the Board is cautious of potential negative impacts on its business interests. Disclosing such information could be detrimental to its business interests given the highly competitive human resource environment in which the Group operates as this will facilitate opportunities for competitors to pinch the Group's top senior management. Consequently, disclosing specific remuneration details may lead to recruitment and talent retention challenges in the future.</p> <p>-</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

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

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The ARMC comprises three (3) Independent Non-Executive Directors. The Chairman of the ARMC is Mr. Kuan Ying Tung, an Independent Director and is not the Chairman of the Board. Mr. Kuan is a member of the Malaysian Institute of Accountants and a member of Certified Practising Accountants Australia.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As guided in the ARMC’s Terms of Reference, a member who was a former partner of the external audit firm of the Company is required to observe a cooling-off period of at least 3 years before being appointed to the Committee.</p> <p>The above requirement applies to all former partners of the audit firm and/or the affiliates firm (including those providing advisory services, tax consultancy, etc).</p> <p>During the FYE 2024, none of the present members of the ARMC were former partner of the external audit firm of the Company. With the present composition structure and practice, the ARMC is able to objectively review and report its findings and recommendations to the Board.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Annually, the ARMC will review the appointment, performance and remuneration of the External Auditors before recommending them to the Board for approval for seeking shareholders' approval at an AGM for re-appointment. In assessing the External Auditors, the ARMC will take into consideration the adequacy of resources of the firm, quality of service and clarity of presentation of report produced, appropriateness of audit fees to perform audit, competency of the staffs assigned to the audit as well as the auditors' independence to determine the suitability and objectivity of the External Auditors.</p> <p>Private session between ARMC and External Auditors without the present of the Management or the Group's employees is arranged as and when required by the ARMC members to ensure the objectivity and independence of the ARMC. For the FYE 2024, a private session was held between the ARMC and the External Auditors.</p> <p>In addition, as part of the ARMC's review processes, the ARMC obtained assurance from the External Auditors confirming 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>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Board has established an effective and independent ARMC where the ARMC comprises solely 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, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The ARMC is established by the Board and it comprised three (3) members, all of whom are Independent Non-Executive Directors.</p> <p>Collectively, the ARMC members have a wide range of skill, knowledge and experience including accounting, finance management, engineering and business management. The Chairman of the ARMC is a Chartered Accountant and a member of Malaysian Institute of Accountants.</p> <p>The Board had reviewed the terms of office of the ARMC members and assessed the performance of the ARMC through the annual board committee assessment facilitated by the NC. Based on the assessment, the Board is satisfied with the performance of the ARMC and the level of knowledge and skills of the ARMC members needed to discharge their duties and to understand the matters under the ARMC's purview on financial reporting.</p> <p>The profile of each of the members of the ARMC is set out in the Directors' Profile column in the Company's Annual Report 2024.</p> <p>In order to strengthen the present financial literacy of each member, all members of the ARMC will balance their participation in continuous professional development programmes. During FYE 2024, the conferences, seminars and training programmes that have attended by the ARMC members are disclosed in Section 2.3 of the Corporate Governance Overview Statement as contained in the Annual Report 2024.</p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

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

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for the overall risk management in the Group while Executive Directors together with the senior management team are primary responsible for managing risks in the Group. Issues related to risk management and internal control were discussed and presented to the ARMC during its sitting/meetings.</p> <p>Annually, the ARMC shall seek assurance from the Management that the Company has implemented appropriate risk management framework; and there are effective and adequate systems of internal control to address these risks.</p> <p>During FYE 2024, the Board is assisted by the ARMC to oversees the Group’s overall risk management framework and processes to ensure that they remain relevant for use, and monitors the effectiveness of risk treatment / mitigation plans for the management and control of the key risks.</p> <p>The Board has commented in its Statement on Risk Management and Internal Control that they were satisfied with the effectiveness and adequacy the existing level of systems of risk management and internal control.</p> <p>Details of the Group’s Risk Management and Internal Control Framework are set out in its Statement on Risk Management and Internal Control as contained in the Company’s Annual Report 2024.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

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

### Practice 10.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As the Group operates in a dynamic business environment, sound risk management and internal control systems must be in place to help the Group to achieve its business objectives.</p> <p>The Board acknowledges its responsibility for the Group’s risk management and internal control which includes identifying principal risks, implementing appropriate control measures to manage risks and reviewing the adequacy and effectiveness of the risk management and internal control systems on continuous basis.</p> <p>There are processes for identifying, evaluating, monitoring and managing significant risks that may impede the achievement of the Group’s business and corporate objectives. The Board through the ARMC reviews the internal control processes to ascertain those measures taken to mitigate risk.</p> <p>Further details on the internal controls as well as the Board review of the adequacy and effectiveness of the risk management and internal control frameworks are presented in the Statement on Risk Management and Internal Control of the Annual Report 2024.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Audit and Risk Management Committee comprises solely of Independent Directors, to oversee the Company's risk management framework and policies.

**Intended Outcome**

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

**Practice 11.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognised the importance of the internal audit function and the independent status required for it to carry out its functions effectively.</p> <p>The internal audit function has been outsourced to an independent professional services firm, which is tasked with the aim of assisting the ARMC in assessing risks, recommend measures to mitigate risks, establish cost effective controls and assess proper governance process. The internal audit function reports on its findings and recommendations directly to the ARMC.</p> <p>For FYE 2024, the Internal Auditors carried out the following audits based on the internal audit plan approved by the ARMC and the Board:-          - hotel management; and          - recurrent relater party transaction.</p> <p>Each audit includes a review on follow-up assessment on the prior internal audit observations.</p> <p>There were no material or significant losses incurred during the FYE 2024 as a result of weakness in internal control.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 11.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board as a whole remains responsible for the overall risk management in the Group while Executive Directors together with the senior management team are primary responsible for managing risks in the Group.</p> <p>For the FYE 2024, the Internal Audit Function was outsourced to Tricor Axcelasia Sdn. Bhd, an independent professional service provider whose principal responsibility is to undertake internal audits in accordance with the approved risk-based internal audit plan. The outsourced internal audit function was headed by Ms. Melissa Koay, Executive Director. She is a Certified Member of the Institute of Internal Auditors Malaysia, a member of the Malaysian Institute of Accountants, and a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom. Melissa is also a Certified Internal Auditor. The team members who performed the internal audit assessment include an Executive Director and another two (2) to three (3) members who possess accounting qualifications and/or a university degree. The internal audits conducted are guided by the International Professional Practices Framework issued by the Institute of Internal Auditors Inc.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company maintains its corporate website, namely, <a href="http://www.kpproperty.com.my">www.kpproperty.com.my</a> where stakeholders may access information on the Group encompassing corporate information, latest financial results, annual reports, announcements to Bursa Securities, Board Charter, Terms of Reference of Board Committees, Code of Conduct and Code of Ethics.</p> <p>The following personnel has been identified as the investor contact person of the Group:</p> <p>Contact Person: Mr. Yong Kah Hu (Group Finance &amp; Accounting Manager) Tel : 603-8682 8238 Email : <a href="mailto:ir@kpproperty.com.my">ir@kpproperty.com.my</a></p> <p>Periodically, the Group had also conducted analyst and media briefings during the year to provide detailed explanation and presentation about the business performance of the Group and its prospect.</p> <p>Shareholders and investors are also encouraged to interact and feedback to the Chairperson or any Executive Directors for opinions or concerns.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 12.2**

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

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

**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted the recommendation of MCCG for the notice of AGM to be given to shareholders at least 28 days prior to the meeting.</p> <p>The Notice of the Company's 30<sup>th</sup> AGM was given to the shareholders at least 28 days prior to the date of the AGM. Shareholders who are unable to attend the AGM may appoint proxies to attend and vote on their behalf.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 13.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>All the Directors attended the Company's 30<sup>th</sup> AGM held on 25 August 2023. The Company's External Auditors were also present at the 30<sup>th</sup> AGM.</p> <p>All Board members will ensure their attendance in the AGM and the respective chairman of the Board Committees shall attend to questions raised pertaining to their duties.</p> <p>During the general meetings, the Chairperson invited shareholders to raised questions and responses will be provided to by the Chairperson/Board.</p> <p>All questions raised by the shareholders at the 30<sup>th</sup> AGM were properly addressed and included in the minutes, which can be obtained from the Company's website at <a href="http://www.kpproperty.com.my">www.kpproperty.com.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolutions at its virtual 30<sup>th</sup> AGM held on 25 August 2023. The entire AGM proceedings were held through Remote Participation and Voting (RPV) facilities provided by Tricor Investor &amp; Issuing House Services Sdn. Bhd. via TIIH Online website at <a href="https://tiih.online">https://tiih.online</a>.</p> <p>The Administrative Notes of the AGM including the procedures for RPV facilities were published in the Company's website and shared with shareholders well in advance of the 28 days' notice period. RPV facilities in TIIH Online website provide the option for shareholders to cast their votes virtually at general meeting without the need to appoint a proxy.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.4

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

<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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>Shareholders are given opportunities to participate and engage with the Board and Senior Management effectively at all general meetings.</p> <p>In a case of a virtual general meeting, shareholders are allowed to submit their questions electronically through the online platform provided by the share registrar, Tricor Investor &amp; Issuing House Services Sdn. Bhd. via its TIH Online website at <a href="https://tiah.online">https://tiah.online</a> prior to AGM/Extraordinary General Meeting ("EGM"), or used the query box to transmit questions to the Board via Remote Participation and Voting (RPV) facilities during live streaming of the AGM/EGM. The Board will attend to all questions/comment raised. In the event the Board is unable to answer all questions raised, the Board will publish the responses on the Company's website after the AGM/EGM.</p> <p>The last AGM of the Company, i.e. 30<sup>th</sup> AGM was held virtually on 25 August 2023. The Administrative Notes of the AGM including the procedures for RPV facilities were published in the Company's website and shared with shareholders well in advance of the meeting. Shareholders were given sufficient time to pose their questions prior to the meeting and during the live streaming via the RPV facilities. All questions raised at the meeting were attended to by the Chairperson and CEO.</p> <p>For meaningful engagement with the shareholders, at the 30<sup>th</sup> AGM, the Board briefed the shareholders on the Group's business overview and financial performance for FYE 2023.</p>
<b>Explanation for departure</b>	:  

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

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

### Intended Outcome

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

### Practice 13.5

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

<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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: In a virtual general meeting, the Remote Participation and Voting (RPV) facilities is provided by the share registrar, Tricor Investor & Issuing House Services via its TIIH Online website at <a href="https://tiih.online">https://tiih.online</a> .  This RPV facilities enable the shareholders to pose questions to the Board and Chairperson of the AGM/EGM via typed text in the query box. Shareholders may submit their questions at any time from the day of notice of AGM/EGM and up to the time when the meeting is in progress. During the “Questions and Answers” session, the TIIH Online website has the facilities to live broadcast the questions/remarks and answers; and the shareholders will experience real time interaction with the Board during the AGM/EGM. Questions posed by shareholders will be made visible to all meeting participants during the meeting itself via Remote Participation and Voting (RPV) facilities.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  



**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: : Minutes of the 30 <sup>th</sup> AGM have been made available to shareholders no later than 30 business days after the AGM on its website at <a href="http://www.kpproperty.com.my">www.kpproperty.com.my</a> .  The Board will continue to observe the above practice to comply with the recommended Practice 13.6 of the MCCG.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**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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