

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7077
COMPANY NAME : KERJAYA PROSPEK PROPERTY BERHAD
FINANCIAL YEAR : March 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors of Kerjaya Prospek Property Berhad (“Company”) (“Board”) 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 and 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 set 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 Principle A, item (v) of the Corporate Governance Overview Statement contained in the Annual Report 2023 whilst details on the terms of reference of the Board Committee are published in the Company's website at www.kpproperty.com.my.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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 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 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.</p> <p>The Chairperson will lead and engage with investors, analysts, media and shareholders and communicated to the Board on the feedbacks received, if any.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Chairperson is also the Chief Executive of the Group, as the Company does not have a CEO during the financial year ended 31 March 2023.
		The Executive Chairperson is relieving the role of CEO of the Group. The Board is mindful of the dual role of the Executive Chairperson and the CEO held by Datin Toh Siew Chuon ("Datin Toh") but having regard to the experience and leadership of Datin Toh, the Board opined that the current arrangement is in the best interest of the Group. She is assisted by the Executive Director, Mr. Tee Eng Seng who has more than 20 years of experience in Civil and Building Construction. Nonetheless, 60% of the Board members are Independent Directors on the Board, who are capable to express objective and independent views, the effectiveness of the Board and Board independence in terms of Malaysian Code on Corporate Governance ("MCCG") continues to be considerably enhanced and not in the least compromised.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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 :	Presently, the Chairperson of the board is not the member of Audit and Risk Management Committee, Nomination Committee or Remuneration Committee and did not participate in 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

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>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 2023 are as follows:</p> <ul style="list-style-type: none">○ Co-ordinated with the Board on the meeting agenda and schedule;○ Managed all Board and Board Committee meetings;○ Attended and prepared minutes of all Board and Board Committee meetings (including Board/Board Committee Circular Resolutions);○ 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;○ Assisted the Company in reviewing the Corporate Governance Overview Statement and other relevant statements/report contained in the Annual Report 2022;○ Assisted the Board in preparing the Circular to Shareholders on Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions and share buy-back statement;○ Assisted the Board in drafting/reviewing and submitting all announcements required to be made by the Company pursuant to the Listing Requirements;○ Assisted the Board in lodging all sorts of statutory forms/notifications to Companies Commission of Malaysia as required under the Companies Act 2016;

	<ul style="list-style-type: none"> ○ Advised the Board on the requirements of solvency test for share buy-back and dividend; and ○ Managed annual general meeting (“AGM”) proceedings.
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 understands that the supply, timeliness and quality of the information affect the effectiveness of the Board to oversee the conduct of business and to evaluate the Management's performance of the Group. The Board ensures that each Director is provided with timely notices. Notice of meeting and meeting materials (including meeting minutes) are usually circulated to the Directors/Board Committees Members seven (7) days in advance of the meeting date to enable the Directors to review and consider the agenda items to be discussed and where necessary, to obtain further explanations in order to be fully briefed before the meeting.</p> <p>The Company Secretaries ensure that all Board and Board Committees' meetings are properly convened. Draft meeting minutes are circulated to the chairman 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>
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 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, each 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, namely the Audit and Risk Management, Nomination and Remuneration Committees respectively. 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.</p> <p>The Board Charter and Terms of Reference of the Board Committees are published on the Company's website at www.kpproperty.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 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 reviewed its Corporate Code of Conduct on 26 May 2023. The said Code of Conduct provides guidance to stakeholders on the ethical behaviour to be expected from the Group and sets out the Board's responsibilities as well as the Management's responsibilities 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 www.kpproperty.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 board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 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 aimed 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 Audit and Risk Management Committee Chairman, Mr. Kuan Ying Tung by emailing to whistleblowing@kpproperty.com.my.</p> <p>The Whistleblowing Policy & Procedure is published on the Company's website at www.kpproperty.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 4.1

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 Company has formed a Sustainability Steering Committee which is directly accountable to the Board. The Sustainability Steering Committee is currently chaired by Executive Chairperson and Executive Director as committee members. The heads from different departments form a Sustainability Function Team that reports to the Sustainability Steering Committee coordinated by Sustainability Coordinator.</p> <p>The responsibility of the Board includes the following:</p> <ul style="list-style-type: none">• Oversee the sustainability efforts and initiatives of the Group;• Review and endorse the material sustainability matters of the Group;• Review and endorse the sustainability initiatives proposed by the Sustainability Steering Committee;• Review and endorse the annual sustainability report for inclusion in the annual report; and• Set strategies that support long-term value creation. <p>The responsibility of the Sustainability Steering Committee to promote and embed sustainability in the Group includes overseeing the following:</p> <ul style="list-style-type: none">• Stakeholders' engagement;• Identification of material sustainability matters that are relevant to the Group's business operation;• Management of material sustainability risks and opportunities including of sustainability initiatives and measures to be implemented across the Group; and• Tracking and communication of sustainability strategies, priorities and targets as well as performance against targets to internal and external stakeholders.

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

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders regularly via:</p> <ul style="list-style-type: none"> • Internal – emails, employee engagement, presentation to management team and etc. • External – Corporate website, annual report, press releases, investor presentations, quarterly analysts’ briefings and etc. 	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	The Board provides its views and opinions on any of the Group's sustainability issues during the Board meetings.	
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	:	The Management is in the midst of developing the criteria and questionnaire to appropriately review the Board and Senior Management’s performance evaluations.	
		The Company does not have any alternative practice currently.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The annual principal function of the Nomination Committee is to assess and review the performance of the Board, Board of Directors and Board Committees and to consider the appropriate size and composition of the Board. The underlying policy in determining the size and composition of the Board is based on the consideration of the complexity and scale of operations of the Company and the Group, the Board balance and Board's capacity to discharge its responsibilities effectively.</p> <p>The review activities and the criteria and processes carried out by the Nomination Committee is as follows:-</p> <p>i. Review of the Performance and Effectiveness of the Board, Board Committees and Individual Directors</p> <p>The effectiveness of the Board and Board Committees are assessed in the areas of board structure/mix, decision making and boardroom participation and activities, meeting administration and conducts, skill and competencies and role and responsibilities whilst the performance of the individual Directors are assessed in the areas of contribution and interaction with peers, quality of the input of the Directors and their understanding of their respective roles.</p> <p>ii. Annual Independence Assessment</p> <p>On an annual basis, the Nomination Committee will review the independence of the Independent Directors. Criteria for assessment of independence are primarily based on the requirements and definition of "independent director" as set out in the Listing Requirements and the integrity and objectivity of the independent director in discharging his duties. None of the Independent Directors of the Company has served for a cumulative term of nine (9) years.</p> <p>iii. Evaluation of Directors Standing for Re-Election at the Forthcoming AGM</p>

	<p>In recommending the Directors for re-election to the Board, the Nomination Committee would refer to the individual Directors' annual assessment result to ensure that feedback given and scoring achieved by the relevant directors who are retiring by rotation are satisfactory.</p>	
<p>Explanation for departure</p>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	:	
<p>Timeframe</p>	:	

Intended Outcome

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	:	Presently, the Board consists of two (2) Executive Directors and three (3) Non-Executive Directors with a mixture of suitably qualified and experienced professionals. Majority of the Board comprises Independent Directors which fully complied with the requirement for one third (1/3) of its members to be independent as stated in Paragraph 15.02(1) of the MMLR of Bursa Securities and fully complied with Practice 5.2 of the MCCG where it requires at least half of the Board members comprises 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 Board has outlined a policy to facilitate the annual independence assessment of the Company's Independent Directors. The Independent Directors Assessment Policy adopted by the Company provides that 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 Nomination Committee, on an annual basis at annual general meeting, 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 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>Currently, the Company does not have any Independent Non-Executive Director who has served a cumulative term limit of nine (9) years.</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.

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

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 5.5

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

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

Application :	Applied																																																											
Explanation on application of the practice :	<p>The appointment of 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 as follows. It shall be noted that all Executive Directors are also the top senior management.</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="4">Race/Ethnicity</th> <th colspan="2">Nationality</th> <th colspan="2">Gender</th> </tr> <tr> <th>Malay</th> <th>Chinese</th> <th>Indian</th> <th>Others</th> <th>Malaysian</th> <th>Foreign</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Executive Director</td> <td>--</td> <td>2</td> <td>--</td> <td>--</td> <td>2</td> <td>--</td> <td>1</td> <td>1</td> </tr> <tr> <td>Independent and Non-Executive Director</td> <td>--</td> <td>3</td> <td>--</td> <td>--</td> <td>3</td> <td>--</td> <td>3</td> <td>--</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Age Group</th> <th>40-49 years</th> <th>50-59 years</th> <th>70-79 years</th> </tr> </thead> <tbody> <tr> <td>Executive Director</td> <td>--</td> <td>2</td> <td>--</td> </tr> <tr> <td>Independent and Non-Executive Director</td> <td>2</td> <td>--</td> <td>1</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Skill</th> <th>Accounting & Finance Management</th> <th>Engineering</th> <th>Business Management</th> </tr> </thead> <tbody> <tr> <td>Executive Director</td> <td>1</td> <td>1</td> <td>2</td> </tr> <tr> <td>Independent and Non-Executive Director</td> <td>3</td> <td>1</td> <td>3</td> </tr> </tbody> </table> <p>NB: All the Directors have more than 1 skill.</p>		Race/Ethnicity				Nationality		Gender		Malay	Chinese	Indian	Others	Malaysian	Foreign	Male	Female	Executive Director	--	2	--	--	2	--	1	1	Independent and Non-Executive Director	--	3	--	--	3	--	3	--	Age Group	40-49 years	50-59 years	70-79 years	Executive Director	--	2	--	Independent and Non-Executive Director	2	--	1	Skill	Accounting & Finance Management	Engineering	Business Management	Executive Director	1	1	2	Independent and Non-Executive Director	3	1	3
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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 Board has in place a policy on Nomination Process of Directors to guide the Nomination Committee to identify, evaluate, select and recommend to the Board the candidate to be appointed as Director.</p> <p>The Nomination Committee is chaired by an Independent Non-Executive Director. Through the Nomination Committee the Board will consider recommendations from existing Board members, management, major shareholders and third-party 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 Nomination Committee 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.</p> <p>Any Board Member, while holding office, is at liberty to accept other board appointments (outside the Group) so long as the appointment is not in conflict with the business of the Group and that it would not detrimentally affect his or her performance as a Board member of the Company. Before accepting an offer of appointment of other directorships, the Board members must notify the Chairperson of the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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 5.7

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 profiles of Directors are published in the Annual Report and on Kerjaya Prospek Property Berhad's website. These include their age, gender, tenure of service, directorships in other companies, working experience and any conflict of interest as well as their shareholdings in Kerjaya Prospek Property Berhad, if any.</p> <p>The performance of the Directors is assessed by the Nomination Committee annually. Subject to the satisfactory assessment, the Board makes recommendation on the re-election of retiring Directors by rotation at annual general meeting.</p> <p>The Board's Statement as to whether the Board supports the re-election of the directors can be found in the notes to the notice of 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

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination Committee is chaired by Mr. Kuan Ying Tung, an Independent Non-Executive Director.	
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	:	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>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is committed to ensure that its composition reflects the diversity as recommended by the MCCG and have the right mix of skills to achieve of the Company's goals. Presently, the Board comprise one (1) or 20% women directors on the Board. However, the Board endeavors to have at least 30% women directors on the Board as deemed fit.</p> <p>The Board's Gender Diversity Policy and Target is available on the Company's corporate website at www.kpproperty.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

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	: <p>The Nomination Committee undertakes annual assessment to evaluate the performance of each individual Directors, the effectiveness of the Board and the Board Committees. Presently, the annual assessment by the Board on its effectiveness is conducted internally by the Management and the Board opined that the present arrangement is suffice and adequate.</p> <p>Currently, the effectiveness of the Board and Board Committees are assessed in the areas of board structure/mix, decision making and boardroom participation and activities, meeting administration and conducts, skill and competencies and role and responsibilities whilst the performance of the individual Directors are assessed in the areas of contribution and interaction with peer, quality of the input of the Director, understanding of role, etc.</p> <p>During the annual assessment exercise, the Directors are given a performance evaluation sheets for Individual Director Self/Peer Evaluation and Board Evaluation to complete. In addition, Directors who are members of the Board Committees are given additional performance evaluation sheets for the respective Board Committees to complete. Sufficient time is given to the Directors to complete the forms and upon completion, the forms are submitted to the Chairperson and tabled to the Nomination Committee for review in due course. For good corporate governance, the Nomination Committee did not review its own effectiveness and the performance of the Nomination Committee members. Instead, such review was carried out by the Board as a whole with the members of the Nomination Committee abstained from deliberation. In view that the Nomination Committee members are also members of the Remuneration Committee and the Audit and Risk Management Committee, the assessment of the effectiveness and performances of the Remuneration Committee and the Audit and Risk Management Committee were also carried out by the Board.</p>

	<p>The results of the annual assessment on the Board, the Board Committees and individual Directors for the Financial Year were all satisfactory.</p> <p>The Directors who are subject to re-election and/or re-appointment at the next AGM shall be assessed by the Nomination Committee before recommendation is made to the Board and shareholders for the re-election and/or re-appointment. Appropriate assessment and recommendation by the Nomination Committee would be based on inter-alia the yearly assessment conducted.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has put in place the Remuneration Policy and Procedures to determine the remuneration of Directors and Senior Management, copy of which is made available on the Company's website at www.kpproperty.com.my. Details in the policies and practices adopted by the Board are set out in the Corporate Governance Overview Statement contained in the Annual Report 2023.</p> <p>Essentially, the remuneration of the Executive Directors is linked to the financial performance of the Group and the respective Directors' individual performance. As for the Independent Non-Executive Directors, their remunerations are in the form of Directors' fee and benefits (i.e. meeting allowance). Save for the foregoing, none of the Independent Non-Executive Directors received any other remuneration from the Company and/or the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The 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 Board has a Remuneration Committee which operates within its defined Terms of Reference, a copy of which can be obtained from the Company's website at www.kpproperty.com.my.</p> <p>The members of the Remuneration Committee at the end of the financial year ended 31 March 2023 until the date of issuance of this report are as follows and comprised wholly Independent Non-Executive Directors:</p> <ul style="list-style-type: none">(1) Mr. Kuan Ying Tung (Chairman)(2) Ir. Low Wuu Shin (Member)(3) Mr. Tee Sun Ee (Member) <p>The remuneration of the Executive Directors (who are also the Senior Management) is reviewed and recommended by the Remuneration Committee to the Board for approval. All Directors shall abstain from discussions and decisions on their own remuneration. Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.</p> <p>During the financial year ended 31 March 2023, the Remuneration Committee had reviewed and recommended the remuneration of the Executive Directors and the fees and benefits payable to Non-Executive Directors. All Directors were abstained from discussions and decisions on their own remuneration.</p> <p>The details of the Board members' remunerations for the financial year ended 31 March 2023 are disclosed in the Corporate Governance Overview Statement as contained in the Company's Annual Report 2023 and Practice 8.1 below.</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	:	

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	-	-	-	-	-	-	-	-	-	576	159	-	89	824
2	Tee Eng Seng	Executive Director	-	-	-	-	-	-	-	-	-	576	159	-	89	824
3	Kuan Ying Tung	Independent Director	58	8	-	-	-	-	66	58	8	-	-	-	-	66
4	Low Wu Shin	Independent Director	40	6	-	-	-	-	46	40	6	-	-	-	-	46
5	Tee Sun Ee	Independent Director	40	8	-	-	-	-	48	40	8	-	-	-	-	48
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				
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				
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				
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				
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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				
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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	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here				

Intended Outcome

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

Practice 8.2

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

Application	:	Not applicable - all members of senior management are members of the board	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.				
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	:	Adopted
Explanation on adoption of the practice	:	All Executive Directors are also top senior management of the Group. The detailed remuneration of the Executive Directors is disclosed in the Corporate Governance Overview Statement as contained in the Company's Annual Report 2023 and Practices 8.1 above.

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Datin Toh Siew Chuon	Executive Director	576	-	159	-	89	824
2	Tee Eng Seng	Executive Director	576	-	159	-	89	824
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Presently, the Audit and Risk Management Committee comprises three (3) Independent Non-Executive Directors. The Chairman of the Audit and Risk Management Committee is Mr. Kuan Ying Tung, who is a member of the Malaysian Institute of Accountants and Certified Practising Accountants Australia.</p> <p>Collectively, the Audit and Risk Management Committee possesses a wide range of necessary skills to discharge its duties and members of the Audit and Risk Management Committee are financially literate and are able to understand matters under the purview of the Audit and Risk Management Committee including the financial reporting process. In order to strengthen the present financial literacy of each member, all members of the Audit and Risk Management Committee will balance their participation in continuous professional development programmes on accounting and auditing standards, practices and rules. Periodically, Companies Secretaries, External Auditors and Internal Auditor update the Audit and Risk Management Committee on changes to the relevant guidelines, laws and regulations and accounting standards to ensure the Audit and Risk Management Committee members are kept abreast with latest developments in the statutory and accounting requirements.</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 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>As guided in the Audit and Risk Management Committee's Terms of Reference revised on 26 May 2023, 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 financial year ended 31 March 2023, none of the present members of the Audit and Risk Management Committee were former partner of the external audit firm of the Company. With the present composition structure and practice, the Audit and Risk Management Committee is able to objectively review and report its findings and recommendations to the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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>Annually, the Audit and Risk Management Committee will review the appointment, performance and remuneration of the External Auditors before recommending them to the Board for approval for seeking shareholders' approval at the forthcoming AGM for re-appointment. In assessing the External Auditors, the Audit and Risk Management Committee will take into consideration the adequacy of resources of the firm, quality of service and competency of the staffs assigned to the audit as well as the auditors' independence and fee to determine the suitability and objectivity of the External Auditors.</p> <p>For effectiveness and independence conduct of the Audit and Risk Management Committee's functions, the Audit and Risk Management Committee have separate discussions with the External Auditors without the presence of the Executive Directors and employees of the Group as and when necessary to discuss matters that the Audit and Risk Management Committee or the auditors believe should be discussed privately or to have a discussion about any matters of significance that arose during the audit process.</p> <p>Also, as part of the Audit and Risk Management Committee's review processes, the Audit and Risk Management Committee will obtain 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> <p>The Audit and Risk Management Committee had undertaken the above procedures on 22 July 2022 in assessing the External Auditors and recommended to the Board for approval for seeking shareholders' approval at the 29th AGM for the appointment of Messrs KPMG PLT as Auditors of the Company for financial year ended 31 March 2023.</p> <p>This year, the Audit and Risk Management Committee repeated the evaluation process and has recommended to the Board for approval for seeking shareholders' approval at the forthcoming 30th AGM for the appointment of Messrs KPMG PLT as Auditors of the Company for financial year ending 31 March 2024.</p>

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The Board has established an effective and independent Audit and Risk Management Committee where the Audit and Risk Management Committee 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had reviewed the terms of office of the Audit and Risk Management Committee members and assessed the performance of the Audit and Risk Management Committee through the annual board committee assessment facilitated by Nomination Committee. Based on this assessment, the Board is satisfied with the performance of the Audit and Risk Management Committee and the level of knowledge and skills of the Audit and Risk Management Committee members needed to discharge their duties and to understand the matters under the Committee's purview on financial reporting.</p> <p>In order to strengthen the present financial literacy of each member, all members of the Audit and Risk Management Committee will balance their participation in continuous professional development programmes on accounting and auditing standards, practices and rules continuously.</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 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 also discussed and presented to the Audit and Risk Management Committee at its quarterly meetings.</p> <p>The Board has also commented in its Statement of Risk Management and Internal Control contained in the Annual Report 2023 that they are satisfied with the effectiveness and adequacy of the existing level of systems of risk management and internal control.</p> <p>Further details of Group's risk management and internal control framework covering the risk policy, risk appetite, risk assessment and the review process by the Board and Audit and Risk Management Committee and the key internal controls can be found in the Statement on Risk Management and Internal Control of the Annual Report 2023.</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>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 Audit and Risk Management Committee 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 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.3 - Step Up

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

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

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 Audit and Risk Management Committee is responsible for reviewing the engagement of the Internal Auditor. In assessing the Internal Auditor, the Audit and Risk Management Committee will take into consideration the adequacy of resources of the firm, quality of service and competency of the staffs assigned to the audit as well as the auditors' independence and fee to determine the suitability and objectivity of the Internal Auditors.</p> <p>The Board has engaged a professional internal audit service company to assist the Board in reviewing and strengthening the Group systems of internal control. The Internal Audit Function reports to the Audit and Risk Management Committee directly and has organised its work covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders on the internal audit findings. Audit and Risk Management Committee approves the internal audit plan and review the progress of audit periodically. The results of the internal audit reviews are reported to Audit and Risk Management Committee and Audit and Risk Management Committee will subsequently report to Board for further review. Follow-up review will also be conducted to ensure that recommendations for improvement are implemented by Management accordingly.</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 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><u>Risk Management</u></p> <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>In Year 2020, the Group has engaged Tricor Axcelasia Sdn Bhd (“TASB”) to review and further enhance its Enterprise Risk Management (“ERM”) framework, which covers the components such as ERM policy statement, ERM reporting structure, ERM reporting frequency and roles & responsibilities for ERM. These components are in practice for continuous risk management practices. In addition, TASB had performed risk assessment on strategic perspective and the operation via a facilitated brainstorming workshop with the Executive Directors and senior management team. Risks information were documented in risk registers to facilitate management’s continuous risk management efforts. Result of the strategic and risk assessment was presented to the Board for review and deliberation. These risk management processes of identification, assessment and documentation are carried out with reference to the principles of ISO 31000 on Risk Management which is an internationally recognised risk management framework.</p> <p><u>Internal Audit</u></p> <p>For the Financial Year under review, the Internal Audit Function was outsourced to Tricor Axcelasia Sdn. Bhd, is 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. Ms. Melissa is also a Certified Internal Auditor. The team members who performed the internal audit</p>

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

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group maintains a website at www.kpproperty.com.my where shareholders or investors 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 and Accounting Manager) Tel : 603-6277 2666 Email : ir@kpproperty.com.my</p> <p>Periodically, the Group had also conducted analyst 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. The Board had also identified Mr. Kuan Ying Tung to act as the Independent Director to provide shareholders and investors with an alternative to convey their concerns and seek independent view.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board had adopted the recommendation of MCCG for the notice of AGM to be given to shareholders at least 28 days prior to the meeting. Shareholders who are unable to attend the AGM may appoint proxies to attend and vote on their behalf.	
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	:	All Directors attended the 29 th AGM held on 23 August 2022, except for Ir. Low Wuu Shin due to personal reason.	
		The respective chairman of the Board Committees shall attend to questions addressed to them.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	The Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolutions at its virtual Annual General Meeting ("AGM") held on 23 August 2022. The entire AGM proceedings were held through Remote Participation and Voting (RPV) facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online at https://tiih.online . The Administrative Guide of the AGM including the procedures for RPV facilities were published in the Company's website and shared with shareholders. RPV facilities in TIIH Online provide the option for shareholders to cast their votes virtually at general meeting without the need to appoint a proxy.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The last 29th AGM was held virtually on 23 August 2022. The Company issued its Annual Report 2022, including the Notice of 29th AGM together with administrative guide on 25 July 2022. The shareholders were allowed to submit their questions electronically through the online platform provided by the share registrar, Tricor Investor & Issuing House Services Sdn. Bhd. via its TIH Online at https://tjih.online prior to AGM, or used the query box to transmit questions to the Board of Directors via Remote Participation and Voting (RPV) facilities during live streaming of the AGM.</p> <p>At the 29th AGM, the Board presented the Group's business overview and financial performance for the financial year ended 31 March 2022.</p> <p>The Chairperson of the AGM had also informed the shareholders during the live streaming of the 29th AGM that they could submit their questions and comments to the Board during the AGM via the RPV facilities; and the answers of all the questions were addressed by the Executive Chairperson, before the commencement of the poll voting. In view that shareholders were allowed to submit questions commencing 25 July 2022 (the notice of AGM), they were given sufficient opportunity to pose their questions before the AGM and during the AGM. The Company had ensured that all the questions were answered. Questions received after the close of AGM were answered via emails.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: The Remote Participation and Voting (RPV) facilities provided by the share registrar, Tricor Investor & Issuing House Services Sdn Bhd via its TIIH Online at https://tiih.online allowed shareholders to pose questions to the Board and Chairperson of the AGM via typed text in the query box. The shareholders submitted their questions at any time from the day of notice of AGM and up to the time when the meeting was in progress. At the “Questions and Answers” session in the meeting agenda, the TIIH Online had the facilities to live broadcast the questions/remarks and answers; and the shareholders had experienced real time interaction with the Board during the AGM. Questions posed by shareholders had been made visible to all meeting participants during the meeting itself via Remote Participation and Voting (RPV) facilities.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: Minutes of the 29th AGM have been made available to shareholders no later than 30 business days after the AGM on its website at www.kpproperty.com.my . The Board will continue to observe the above practice to comply with the recommended Practice 13.6 of the MCCG.
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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