

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5027
COMPANY NAME : KIM LOONG RESOURCES BERHAD
FINANCIAL YEAR : January 31, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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	:	The Board of Directors of Kim Loong Resources Berhad ("Company") acknowledges the importance of good corporate governance ("CG") in ensuring the long term sustainability of the businesses of the Company and its group of companies ("Group"). As such the Board is committed towards adherence to the principles, intended outcomes and best practices set out in the Malaysian Code on Corporate Governance ("MCCG" or the "Code") issued by the Securities Commission Malaysia. The Board's pivotal role is to lead and establish the Group's vision, strategic direction, key policies and framework, including the management of the succession planning process of the Group and the appointment of key senior management. In view thereof, the Board's roles and responsibilities include but are not limited to the following: • Reviewing and approving the strategic business plan developed by Management for the Group; • Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed; • Identifying and approving policies pertaining to the management of key principal risks of the Group's business activities and ensure the implementation of appropriate systems to manage these risks; • Serving as the ultimate approving authority for all significant investment and acquisition & disposal of assets; • Developing and implementing a shareholder communications policy for the Company; • Reviewing the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines; • Approving the remuneration package of both Executive and Non-Executive Directors; and • Ensuring that the Group adheres to high standards of conduct, ethics and corporate professional corporate behaviours.

	The Board has delegated specific responsibilities to the following committees: i. Audit Committee ii. Nominating Committee iii. Remuneration Committee These Board Committees have been constituted with clear terms of reference and are actively engaged to ensure that the Group is in adherence with good corporate governance.			
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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	:	he roles and responsibilities of the Executive Chairman are: • Ensures that the Board functions effectively, cohesively and independently of Management. • Promotes the highest standards of corporate governance. • Leads the Board, including presiding over Board meetings and Company meetings and direct Board discussions to effectively use the time available to address the critical issues facing the Company • Promotes constructive and respectful relationship among Board members and between Board members and Management. • Ensures that there is effective communication between the Company and/or Group and its shareholders and relevant stakeholders. • Ensure every board resolution is put to a vote, if necessary, which would reflect the collective decision of the Board and not individual or an interested group. He also maintains regular dialogues/meetings with the Managing Director/Head of business units on all operational matters. The Company's Chairman is an Executive Director and there are three (3) Independent Non-Executive Directors out of seven (7) board members (excluding two (2) Alternate Directors). The Code recommends that at least half of the Board comprises independent directors. As of now, the Board is of the opinion that the current number of independent directors is sufficient to ensure effective check and balance of power and authority on the Board; and compliance with the Code's recommended composition of independent directors may be differed for the time being.
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	:		
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Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	The roles and responsibilities of the Executive Chairman and the Managing Director are held by two different individuals. The roles and responsibilities of the Executive Chairman and Managing Director are clearly defined and their respective authorities within the organisation outlined. This is in line with the recommendation of the Code, which requires the Board to establish clear functions reserved for the Board and those delegated to the management. The Board is led by Mr. Gooi Seong Lim, as the Executive Chairman, whilst the executive management is helmed by Mr. Gooi Seong Heen, the Managing Director of the Group. Both have in-depth first-hand experience in managing the Group's core businesses. The Executive Chairman is responsible for ensuring Board effectiveness and conduct. He ensures the integrity and effectiveness of the governance process of the Board and acts as a facilitator at Board meetings. Every Board resolution is put to a vote, if necessary, which would reflect the collective decision of the Board and not specific individuals or interest group. He also maintains regular dialogues/meetings with the Managing Director/Head of business units on all operational matters. The Managing Director has the overall responsibility for the profitability and development of the Group. He is responsible for the stewardship of all the Group's assets, day-to-day running of the business and effective implementation of Board decisions, annual operating plan, budget, policies decisions as approved by the Board. The Managing Director's in-depth and intimate knowledge of the Group's affairs contribute significantly towards the ability of the Group to achieve its goals and objectives. The segregation of duties between the Executive Chairman and the Managing Director facilitates an appropriate balance of role, responsibility and accountability and promotes appropriate supervision of the management.
Explanation for departure	:	

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

Intended Outcome

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.

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'.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Board Chairman is not a member of the Audit Committee, Nominating Committee or Remuneration Committee. The Board Chairman was invited to attend the Nominating Committee and Remuneration Committee meetings to present the Management's proposal for the deliberations of the said Committees. In case of the Remuneration Committee's meeting, the Board Chairman was invited to present matters in relation to non-board member i.e., Senior Management's remuneration packages and performance bonus. The Chairman does not participate in determining his own or the other Executive Directors' remuneration. Given that the Nominating Committee and the Remuneration Committee consist wholly of Independent Non-Executive Directors, the said Committees objectivity in deliberating the matters put forth for their respective deliberation has not been diminished in any way. The Board is of the view that the said Committees are able to discharge their duties and responsibilities independently.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	The Board is supported by three (3) qualified Company Secretaries who are members of professional bodies such as the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) or the Malaysian Association of Company Secretaries (MACS) and are qualified to act as company secretary under Section 235(2)(a) of the Companies Act, 2016. The Company Secretaries are external Company Secretary from Tacs Corporate Services Sdn. Bhd. with vast knowledge and experience from being in public practice and is supported by a dedicated team of company secretarial personnel. The Company Secretaries are entrusted with the responsibility to record the Board's and their Committees deliberations, in terms of issues discussed, and the conclusions of such deliberations. The minutes of the previous Board meeting are distributed to the Directors prior to the Board meeting for their perusal before confirmation of the minutes at the commencement of the following Board meeting. The Directors may comment or request clarification before the minutes are tabled for confirmation and signed by the Chairman of the meeting as a correct record of the proceedings of the meeting. All Directors have direct access to the advice and services of the Company Secretaries whether as a full Board or in their individual capacity, in discharging their duties. The Company Secretaries, who are qualified, experienced and competent, is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, corporate governance best practices, procedures and regulations and the resultant implications to the Company and the Board in discharging their duties and responsibilities. The appointment and removal of the Company Secretaries is a matter for the Board as a whole. The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of their functions.

Explanation for departure	:		
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Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	The Executive Chairman and the Managing Director have the responsibility for organising information necessary for the Board to constructively deal with matters listed in the agenda and ensuring all Directors have full and timely access to such information. In exercising their duties, all Directors have the same right of access to all information within the Group and, the Directors may as they deem necessary make further enquiries or request for additional information to be provided by the Group. The Directors have access to advice and services of the Company Secretaries, on matters relating but not limited to Board meeting procedures and applicable rules and regulations. If necessary, senior management personnel may be requested to provide information and address any queries or concerns of the Directors. All Directors are provided with an agenda and a set of comprehensive Board papers at least seven (7) days before the meeting. These are issued within sufficient time prior to Board meetings to allow Directors to appreciate issues to be deliberated on and provide constructive input during Board discussions. Board papers may include reports, presentations, or such other document containing relevant and accurate information to facilitate the Board's decision-making process. Senior management staff and/or external advisors may be invited to attend Board meetings, to advise and provide the Board with detailed explanations and clarifications whenever necessary on matters that are tabled. The Board papers prepared for quarterly scheduled meetings include, among others, the following: • Minutes of previous Board meeting • Minutes of the Board Committee's meeting • Reports on matters arising • Quarterly financial report • Reports on operations

	Other matters highlighted for the Board's decision include the approval of corporate plans, acquisitions and disposals of assets that are material to the Group, major investments, changes to management and control structure of the Group, including key policies, procedures and authority limits. Minutes of meetings are prepared by the Company Secretaries. Upon completion of the meeting, a draft minutes of meeting will be circulated to all Members in a timely manner for review and finalisation.	
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
	:	All Board members are expected to show good stewardship and act in a professional manner, as well as uphold the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities. The Board has formalised and adopted a Board Corporate Governance Manual (“Board CG Manual”) which provides guidance to the Board in fulfilment of its roles, functions duties and responsibilities. The Board will review the Board CG Manual as and when required to ensure relevance and compliance with the regulations. Extracts of the Board CG Manual are now available on the Company’s website at www.kimloong.com.my. The Board CG Manual is the primary document that elucidates on the governance of the Board, Board Committees and individual Directors. The Board CG Manual sets out the role, functions, composition, operation and processes of the Board to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members. The Board CG Manual also acts as a source of reference and primary induction literature in providing insights to Board members and senior management. The Board CG Manual covers amongst others, the following matters: • Board Charter • Role, Responsibilities and Power of the Board, Individual Directors, Chairman and Managing Director • Role of Board Committees • Role of Company Secretary • Board and General Meetings • Corporate Disclosure Policy • Whistle-blowing Policy • Code of Ethics and Conduct • Corporate Integrity Policy - Anti Fraud Policy • Risk Management Policy • Investor Relations Policy

	This Board CG Manual will be regularly reviewed and updated in accordance with the needs of the Company and any new regulations. Any amendments to the Board CG Manual shall be approved by the Board. The Board CG Manual was adopted on 17 May 2018. Extracts of the Board CG Manual is available on the Company's website at www.kimloong.com.my.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	The Board acknowledges its role in establishing a corporate culture with uncompromising ethical conduct. In line with this principle, the Group has in place the following policies to ensure the conduct of business of the Group and the employees are consistently carried out ethically and with integrity. a) Code of Ethics and Conduct The Code of Ethics and Conduct ("COEC") of the Group contains detailed policy statements on the standards of behaviour and ethical conduct expected of all Directors and employees and business partners of the Group. The COEC not only promotes legal and procedural compliance but also provides a moral compass to ensure that the individual's behaviour is in line with the Group's Core Values and business objectives. All employees are expected to understand the principles and standards stipulated and must comply with them not only in their form but also in the substance of the ethical principles and conduct stated in the COEC. Further details on the COEC are available on the Company's website at www.kimloong.com.my. b) Whistleblowing Policy The Group's Whistleblowing Policy provides a transparent mechanism and avenue for all stakeholders to report or raise genuine concerns on any misconduct without fear of retaliation and intimidation. Confidentiality and anonymity are assured to stakeholders who disclose their concerns in good faith and in doing so, had followed the appropriate disclosure procedures, accordingly. The Whistleblowing Policy sets a clear procedural guide for stakeholders to follow in raising their concerns to ensure that issues are addressed by the appropriate personnel and definitive action can be taken.

	c) Gift, Entertainment and Travel Policy The Gift, Entertainment and Travel Policy is intended to enable the Directors, Management and employees to conduct the Group's business with integrity and maintain strong professional relationships with all of their counterparts and business partners based on merit and performance. d) Anti-Bribery and Anti-Corruption Policy With the adoption of the Anti-Bribery and Anti-Corruption ("ABC") policy, the Group practises zero tolerance policy against all forms of bribery and corruption. The ABC policy elaborates upon those principles and provides guidance to employees on how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of conducting business. The ABC policy is also applicable to all employees, directors, contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of Group. Continuous engagement activities are conducted to spread awareness of the policies and to address any concerns. For more information on the ABC policy, please refer to the Company's website at www.kimloong.com.my. e) Corporate Liability The Malaysian Anti-Corruption Commission Act 2009 ("MACC Act 2009") has been amended to include a corporate liability provision that imposes liability on a commercial organisation for corruption committed by persons associated with the organisation to obtain a business advantage. Taking cognisance of the provision under Section 17A of the MACC Act 2009 which came into effect on 1 June 2020, the Company has taken proactive actions to ensure that it has adequate procedures in place designed to prevent associated persons from undertaking conduct that would be in breach of the said section.	
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	:	As part of best practices in good corporate governance, a Whistleblowing Policy has been established by the Board since 2014 that outlines the principles underpinning the grievance procedure. The Group’s Whistleblowing Policy provides a transparent mechanism and avenue for all stakeholders to report or raise genuine concerns on any misconduct without fear of retaliation and intimidation. Confidentiality and anonymity are assured to stakeholders who disclose their concerns in good faith and in doing so, had followed the appropriate disclosure procedures, accordingly. The Whistleblowing Policy sets a clear procedural guide for stakeholders to follow in raising their concerns to ensure that issues are addressed by the appropriate personnel and definitive action can be taken. Details of the whistle-blowing channel are available on the Company’s website at www.kimloong.com.my.	
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 4.1

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

Application	:	Applied
Explanation on application of the practice	:	The Group has established a Risk Management and Sustainability Committee ("RMSC"), helmed by the Managing Director and other Executive Directors of the Company as well as Heads of Business Units of the Group as Committee members. The RMSC, which assists and reports directly to the Board on risk management and sustainability matters, is supported by a working group comprising members of the RMSC and key Management staff. The working group is involved in the identification of MSMs, as well as the management of MSMs, which are deliberated at the RMSC and the outcome thereof is disseminated to the Board for notification and comments, as case may be. Boards meetings are held to discuss the progress of approved strategic initiatives and directives are made to address identified risk and opportunities. The roles of each team in the Sustainability Governance Structure are as follows: Board of Directors • Evaluate the Group's overall sustainability strategies, direction and agenda. • Conduct the final review and approval on sustainability matters relating to the Group. Managing Director • Drives and monitors the implementation of the Group's sustainability strategies, direction and agenda. • Approves sustainability strategies and framework. Risk Management & Sustainability Committee ("RMSC") • Evaluates overall sustainability risks and opportunities and develops the sustainability strategies with agenda for implementation. • Monitors implementation of sustainability programs to ensure compliance from all departments at operational level. • Resolves critical or major sustainability issues that may impact the Group. • Periodically reviews the progress of sustainability implementation and reports to the Board.

	• Reports to the Board of any unresolved critical sustainability issues. Working Groups • Supports and promotes effective implementation of the sustainability strategies through regular monitoring, reviewing, and improving sustainability practices in all plantations / mills. • Ensures resources and procedures are in place to achieve its sustainability commitments and targets. • Continuously improves the management system to meet Malaysian Sustainable Palm Oil (“MSPO”) Standard. • Periodically reports to RMSC on the progress of sustainability implementation in plantation/mills. • Reports to RMSC of any critical or major sustainability issues in plantation/mills.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.2

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

Application	:	Applied
Explanation on application of the practice	:	The Board conducts reviews of the Company's sustainability strategies, priorities and targets. Any directives from the Board are cascaded down by the Managing Director to the Management Team via management meetings / performance review meetings. The Management Team ensures that these directives are further cascaded down the organisation. In addition, the Management Team is responsible for setting Company-wide performance goals and targets relating to sustainability and measuring the same, which is reported to the Board. The Company's sustainability strategies, priorities and targets are disclosed to external stakeholders through its Sustainability Statement in its Annual Report. During the financial year 2025, the Board Members had participated in various training programmes to keep abreast of latest changes and developments relating to sustainability. Details of our stakeholder management approach in general are disclosed in our Annual Report.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	All Directors including the Alternate Directors have completed the “Mandatory Accreditation Programme for Directors of Public Listed Companies” pursuant to Paragraph 15.08 of the MMLR of Bursa Securities. During the financial year under review, the Board has discussed training programmes proposed for the Directors’ attendance. Directors are also encouraged to participate in seminars and/or conferences organised by relevant regulatory authorities, professional bodies and commercial entities providing training. This is part of their Continuous Education Programme to keep abreast with relevant new developments on a continuous basis on the general regulatory, economic, industry and technical developments to further enhance their skills, knowledge and experience as well as update themselves on new developments in the business environment in order to fulfil their duties as Directors. Directors also receive briefing from External Auditors on updates in financial reporting and new accounting standards affecting the Group, bankers on available financial instruments and suppliers/contractors on their products. The Executive Directors represent the Group at the Committee of East Malaysia Planters’ Association and Malaysian Estate Owners’ Association and they are kept informed on new developments affecting the plantation industry. In addition, the Management Team is being tasked to engage with sustainability related associations to ensure emerging trends and requirements are reported to the Board and addressed. These associations include: • Certification bodies • Sustainability consultancy firms • Regulatory bodies

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	:	Applied
Explanation on application of the practice	:	The Board reviews its performance and that of the Board Committees and individual Directors on an annual basis based on a set of predetermined criteria on a process that is facilitated by the Nominating Committee. A comprehensive and independent assessment of the candidate will be conducted by the Nominating Committee without any influence from the major controlling shareholders, Managing Director or Executive Directors. The annual assessment on the Board, its Committees and each individual Director and Audit Committee member was carried out internally using self-evaluation forms extracted from the Corporate Governance Guide issued by Bursa Malaysia Securities Berhad. In conducting the evaluation, the following criteria were adopted by the Nominating Committee – • Board mix and composition; • Quality of information and decision making; • Boardroom activities; • Board's relationship with the management; • Board committee's evaluation; • Fit and proper; • Contribution and performance; • Caliber and personality; • Financial literacy; and • Controls, risk management and compliance. The results of the duly completed self-evaluation forms received from the Directors and Audit Committee members were tabled to the Nominating Committee for consideration. The Nominating Committee is satisfied that the Board has a good mix of skills, experience and qualities and each of the Directors has the professionalism,

	competence, experience, time commitment, integrity and character to effectively discharge their role as a Director. The Nominating Committee is also satisfied with the performance of the Audit Committee and each of Audit Committee members who have carried out their duties in accordance with their Terms of Reference. The results from the Nominating Committee were reported to the Board. Similarly, the Management Team's performance in addressing the Company's material sustainability risks and opportunities is reviewed as part of the annual performance review process.	
Explanation for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	The Board has designated Mr Gooi Chuen Kang, the Plantation Director who is responsible for focusing on sustainability across the Group. This designated person reports directly to Managing Director to ensure sustainability is driven from the top.

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	The Nominating Committee is empowered by the Board through clearly defined terms of reference to ensure that there are appropriate procedures in place for the nomination, selection and evaluation of Directors. The Nominating Committee assesses the effectiveness of the Board as a whole and each of the Board Committees as well as the contribution of each individual Director, including the Independent Non-Executive Directors, Executive Chairman and Managing Director on an annual basis. All assessments and evaluations carried out by the Nominating Committee in discharging its duties are documented in the minutes of meetings. The objective of the assessment of the effectiveness of the Board as a whole, the Board Committee and the contribution of each Director was to improve the Board and the Committee's effectiveness and to enhance the Director's awareness on the key areas that need to be addressed. The evaluation result was tabled for consideration of the Nominating Committee and its recommendations to the Board. The Board, through the Nominating Committee's annual appraisal process, believes that it possesses the required mix of skills, experience and other qualities including core competencies brought by Independent Non-Executive Directors which enables it to discharge its duties in an effective manner in light of the challenging economic and operating environment in which the Group operates. Furthermore, the Board continuously reviews its size and composition with particular consideration on its impact on the effective functioning of the Board. The Board appoints its members through a selection process. All new appointees will be considered and evaluated by the Nominating Committee for the candidates' ability to discharge responsibilities as

	expected from them. The Committee will then recommend the candidates to be approved and appointed by the Board. The Company Secretaries will ensure that all appointments are properly made and that legal and regulatory obligations are met. The Terms of Reference of the Nominating Committee is available on the Company’s website at www.kimloong.com.my and Report of the Nominating Committee is on pages 124 and 125 of this Annual Report.	
Explanation for departure		
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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 5.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board comprises seven (7) members, out of which four (4) are Executive Directors (including the Executive Chairman), three (3) Independent Non-Executive Directors. There are two (2) Alternate Directors. The Board composition is in compliance with Paragraph 15.02(1) (a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which stipulates that at least two Directors or 1/3 of the Board, whichever is higher, must be independent directors. As of now, the Board is of the opinion that the current number of independent directors is sufficient to ensure effective check and balance in the Board; and compliance with the recommendation by Malaysia Code on Corporate Governance may be differed for the time being. However, the Board will continuously review and re-evaluate its stance on this matter.	
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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 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine (9) 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 (9) years, it should justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

Application	:	Not applicable - No independent director(s) serving beyond 9 years
Explanation on application of the practice	:	The presence of Independent Non-Executive Directors provides a pivotal role in corporate accountability. The role of the Independent Non-Executive Directors is particularly important as they provide independent and objective views, advice and judgement in the Board's decision making process. The Independent Non-Executive Directors do not participate in the operation of the Group in order to uphold their objectivity and fulfil their responsibility to provide check and balance to the Board. i. Annual Assessment of Independent Directors The Board recognises the importance of independence and objectivity in its decision-making process. The Independent Directors who are professionals of high calibre and integrity with expertise in their respective field, enable a more robust deliberation process with greater impartiality and objectivity. During the financial year, the Board through the Nominating Committee performed an evaluation of all Directors including the Independent Directors and was satisfied that the Independent Directors have demonstrated their ability to act impartially and objectively during Board deliberations and acted in the interest of the Company and its stakeholders. ii. Tenure of Independent Director The Board noted the recommendation of the Code that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the board as a non-independent director. If the Board intends of retaining an individual as independent

	director beyond nine (9) years, it should justify and seek annual shareholders' approval through a two-tier voting process. The current Independent Directors meet the recommendation of the Code as they were appointed to the Board during the FY2025.	
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.

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.

Application	:	Applied
Explanation on application of the practice	:	The Board acknowledges the importance of boardroom diversity in terms of gender, ethnicity, regional and industry experience, cultural and geographical background, age and perspective. However, the Board is of the collective opinion that there was no necessity to adopt a formal diversity policy as the Group is committed to providing fair and equal opportunities and nurturing diversity within the Group. When appointing a Director, the Nominating Committee and the Board will always evaluate and match the criteria of the candidate to the Board based on individual merits, experience, skill, competency, knowledge and potential contribution, whilst the Code will also be given due consideration for boardroom diversity. The Company practices equal employment opportunities for all qualified individual to create a workforce that is fair and inclusive and seeks to retain and attract the most suitable person to do the job. We reward and promote employee based on individual performance, capability and potential.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	Currently the selection of candidates to be considered as directors are based on the existing networks and recommendations from the Directors, Management and major shareholders through a selection process facilitated by the Nominating Committee. The director appointment process is based on meritocracy and is focused on the sourcing, selection and appointment of suitable board members of high calibre and sound understanding of the industry. The Board is of the opinion that recommendation from existing board members and major shareholder is working as intended for the time being. The potential candidates go through a selection process facilitated by the Nominating Committee. The Nominating Committee will assess the candidates for their suitability based on the following criteria: • skills, knowledge, expertise and experience; • fit and proper; • character, integrity and professionalism; • perceived ability to work cohesively with other members of the Board; • number of directorships and other external obligations which may affect the candidates' commitment, including time commitment and value contribution; • diversity in age, gender and experience/background; and • such other relevant factors as may be determined by the Nominating Committee which would contribute to the Board's collective skills, whilst taking into account the current and future needs of the Company, boardroom diversity and other soft attributes required as Directors.

	Internal promotion of Senior Management as director are also being considered as career advancement for them.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	The Board ensures that shareholders are kept informed on the changes to the Board and its supporting Board Committees. Any changes to the Board's composition and structure is disclosed via the Bursa Malaysia Announcement Link within the stipulated time required by the regulators. The Company's corporate website is also promptly updated to disclose the changes to the Board's composition. Information on Directors being put up for re-election is shared with shareholders via the Notice of AGM. The following Director shall retire in accordance with Clause 88 of the Company's Constitution: a) Mr Gooi Seong Gum b) Mr Gooi Seong Heen The profiles of the Directors standing for re-election as mentioned in paragraph above at the Fiftieth Annual General Meeting are set out in the Annual Report 2025 under the section named Profile of 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	:		
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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 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Chair of the Nominating Committee is held by the Senior Independent Director, Mr Yong Chung Sin. The Nominating Committee currently comprises three Independent Directors. The Terms of Reference of the Nominating Committee is available on the Company’s website at www.kimloong.com.my.	
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	:	Whilst acknowledging the recommendation of the Code on gender diversity, the Board is of the collective opinion that there was no necessity to adopt a formal gender diversity policy as the Group is committed to providing fair and equal opportunities and nurturing diversity within the Group. When appointing a Director, the Nominating Committee and the Board will always evaluate and match the criteria of the candidate to the Board based on individual merits, experience, skill, competency, knowledge and potential contribution, whilst the Code will also be given due consideration for boardroom diversity.	
	:	The Company does not set any specific target for boardroom diversity and 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	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Board acknowledges the importance of boardroom diversity policy and target by the Code. When appointing a Director, the Nominating Committee and the Board will always evaluate and match the criteria of the candidate to the Board based on individual merits, experience, skill, competency, knowledge and potential contribution, whilst the Code will also be given due consideration for boardroom diversity. The Company does not set any specific target for boardroom diversity and female representation will be considered when suitable candidates are identified. During employee recruitment process, the Company ensures diversity in its management level by having female representation at the management level which could potentially be a pipeline for future candidates to be appointed as Director or Senior Management.
<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 and its outcome.

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

Application	:	Applied
Explanation on application of the practice	:	The Nominating Committee is empowered by the Board through clearly defined terms of reference to ensure that there are appropriate procedures in place for the nomination, selection and evaluation of Directors. The Nominating Committee assesses the effectiveness of the Board as a whole and each of the Board Committees as well as the contribution of each individual Director, including the Independent Non-Executive Directors, Executive Chairman and Managing Director on an annual basis. All assessments and evaluations carried out by the Nominating Committee in discharging its duties are documented in the minutes of meetings. The objective of the assessment of the effectiveness of the Board as a whole, the Board Committee and the contribution of each Director was to improve the Board and the Committee's effectiveness and to enhance the Director's awareness on the key areas that need to be addressed. The evaluation result was tabled for consideration of the Nominating Committee and its recommendations to the Board. The Board, through the Nominating Committee's annual appraisal process, believes that it possesses the required mix of skills, experience and other qualities including core competencies brought by Independent Non-Executive Directors which enables it to discharge its duties in an effective manner in light of the challenging economic and operating environment in which the Group operates. Furthermore, the Board continuously reviews its size and composition with particular consideration on its impact on the effective functioning of the Board. The Board appoints its members through a selection process. All new appointees will be considered and evaluated by the Nominating Committee for the candidates' ability to discharge responsibilities

	as expected from them. The Committee will then recommend the candidates to be approved and appointed by the Board. The Company Secretaries will ensure that all appointments are properly made and that legal and regulatory obligations are met. The Nominating Committee is also satisfied with the performance of the Audit Committee and each of Audit Committee members who have carried out their duties in accordance with their Terms of Reference. The Terms of Reference of the Nominating Committee is available on the Company's website at www.kimloong.com.my and the Report of the Nominating Committee is on pages 124 and 125 of this Annual Report.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 in place 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 policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	The remuneration policy of the Company aims to enable the Company to attract and retain Directors and senior management of calibre and relevant experience and expertise to manage the Group successfully. For an Executive Director and senior management, the remuneration will depend on the achievement of goals including targets and personal achievement and is linked to Group and individual performance. In the case of a Non-Executive Director, the level of remuneration reflects the experience, expertise and level of responsibilities undertaken by the particular Non-Executive Director concerned. All Independent Non-Executive Directors are paid Director's fees for serving as Directors on the Board and its Committees. The Company also reimburses reasonable expenses incurred by these Directors in the course of their duties. a. The level and make up of Remuneration The remuneration package of the Executive Directors and senior management is reviewed by the Remuneration Committee for consideration of the Board. The remuneration of all Non-Executive Directors is reviewed by the Board, based on their experience and expertise and the level of responsibilities of the Directors concerned as well as the condition of the industry. b. Procedure The Remuneration Committee recommends to the Board the remuneration package of the Executive Directors and senior management. The Executive Directors do not participate in decisions regarding their own remuneration packages. The Board as a whole

	determines the remunerations of Non-Executive Directors with individual Directors abstaining from making decisions in respect of their individual remunerations. The Directors' fees and meeting allowance are approved at the AGM by shareholders. c. Disclosure The remuneration received or to be received by Directors of the Company from the Group and Company for the financial year ended 31 January 2025 amounted to RM10,723,848 and RM7,547,681 respectively.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	The Board has a Remuneration Committee chaired by the Senior Independent Director and two Independent Directors are members to the Committee. The Remuneration Committee is responsible for recommending the remuneration framework and the remuneration packages of the Executive Chairman, Managing Director, Executive Directors and senior management, so as to ensure that rewards are linked to their performance and contributions to the Group's growth and profitability in order to align the interest of the Directors and senior management with those of shareholders. The Committee also ensures that the level of remunerations for Executive Directors and senior management are linked to their level of responsibilities and contribution to the effective functioning of the Company and the Group. None of the Executive Directors participated in any way in determining their individual remuneration. The Board as a whole determines the remuneration packages of Independent Non-Executive Directors with the Directors concerned abstaining from discussions in respect of their individual remuneration. In deciding on an appropriate level of fees for each Independent Non-Executive Director, the Board has considered the responsibility level and time commitment required in attending both the scheduled and special Board meetings, deliberation time required for Board papers, as well as the number of Board Committees involved. The Terms of Reference of the Remuneration Committee is available on the Company's website at www.kimloong.com.my and the Report of

	the Remuneration Committee is on page 123 of this Annual Report.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.1

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	:	A summary of the remuneration of the Directors of the Company and the Group for the year ended 31 January 2025, distinguishing between Executive and Non-executive Directors, with categorisation into appropriate components is set out as below:	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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	Gooi Seong Lim	Executive Director		-	492,000	820,000	21,323	205,702	1,539,025	89,500	-	852,000	1,067,500	21,323	215,566	2,245,889
2	Gooi Seong Heen	Executive Director		-	588,000	980,000	14,725	503,621	2,086,346	89,500	-	948,000	1,227,500	16,561	631,110	2,912,671
3	Gooi Seong Chneh	Executive Director		-	492,000	820,000	323	454,482	1,766,805	89,500	-	852,000	1,067,500	323	581,971	2,591,294
4	Gooi Seong Gum	Executive Director	-	-	492,000	820,000	10,223	454,982	1,777,205	83,500	-	852,000	1,067,500	10,233	582,471	2,595,694
5	Yong Chung Sin	Independent Director	128,600	-	-	-	-	2,500	131,100	128,600	-	-	-	-	2,500	131,100
6	Soh Ban Ting	Independent Director	121,100	-	-	-	-	2,500	123,600	121,100	-	-	-	-	2,500	123,600
7	Dr Chee Yau Kuan @ Chia Yan Kuan	Independent Director	121,100	-	-	-	-	2,500	123,600	121,100	-	-	-	-	2,500	123,600

Intended Outcome

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

Practice 8.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company has an existing policy whereby the remuneration of employees is classified as confidential. The Board is of the view that disclosure on a named basis of the top five (5) Senior Management’s remuneration components in bands of RM50,000 as being disadvantageous to the Group given the competitiveness in the plantation (palm oil) industry for talent. It could also possibly give rise to unnecessary staff rivalry and disillusionment. Additionally, as the components of the remuneration of Senior Management are subject to the Personal Data Protection Act 2010, the Board has opted not to disclose personal data of its Senior Management to the public at large. The performance of senior management is evaluated on an annual basis and measured against pre-determined targets including responsibilities. The Board will ensure that the senior management is appropriately remunerated based on their performance. The Board will continuously undertake a robust internal process to ensure that the remuneration of Senior Management is competitive and fair.	
<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 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Audit Committee is the Independent Non-Executive Director. Mr. Yong Chung Sin is the Audit Committee chair from 15 September 2022 till 4 February 2025. Ms Soh Ban Ting was appointed as the chairperson with effect from 4 February 2025. Members of the Audit Committee, including the Chairman were appointed by the Board based on the recommendation by the Nominating Committee. The Terms of Reference of the Audit Committee is available at the Company's website at www.kimloong.com.my.	
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 key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	Since the formation of the Audit Committee, the Board has never appointed any former key audit partner as its Audit Committee member. The Board will observe a cooling-off period of at least three years in the event a former partner of the external auditor is considered as a potential appointee as Audit Committee member.	
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.

Application	:	Applied
Explanation on application of the practice	:	The Board through the establishment of the Audit Committee, has established a good working relationship with its External Auditors i.e., Messrs Ernst & Young PLT. The Group also maintains a transparent and professional relationship with its External Auditors in seeking professional advice and ensuring compliance with the applicable Malaysian Financial Reporting Standards in Malaysia. Messrs Ernst & Young PLT report to the shareholders of the Company on their opinion which is included as part of the Group's Annual Report with respect to their audit on each year's statutory financial statements. The Company's External Auditors are appointed every year during the AGM. The External Auditors are invited to attend the Audit Committee meetings and AGM and are available to answer shareholders' questions on the conduct of the statutory audit and the preparation and content of their audit report. The Board has adopted a procedure in relation to the provision of non-audit services by the Company's External Auditors to ensure that it is not in conflict with the role of the External Auditors or their independence. The External Auditors are required to declare their independence annually. The Audit Committee is responsible to review all the non-audit services provided by the External Auditors and the aggregate amount of fees paid to them. Details of the amounts paid to the External Auditors for non-audit services performed during the year are set out in the Additional Compliance Information of this Annual Report. The Audit Committee is also aware of the recommendation of the Code to have policies and procedures in place to assess the suitability and independence of External Auditors. Considering the expertise and existing business knowledge of the current External Auditors and the location of the Company and its subsidiaries, the Audit Committee is of the opinion that the current External Auditors are still suitable for re-

	appointment. While assessing the independence of the External Auditors, the Audit Committee is satisfied and agreed with the representation by the External Auditors in their Audit Planning Memorandum for the audit of the financial year ended 31 January 2025, that they are independent in accordance with the By-laws (on Professional Ethics, Conduct and Practise) of the Malaysian Institute of Accountants. Furthermore, during the financial year ended 31 January 2025, the External Auditors were not engaged for any significant services other than the statutory audit. The Board is satisfied based on advice from the Audit Committee that the provision of the non-audit services does not in any way compromise on their independence. In addition, the Audit Committee has obtained a written 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.			
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	:	<table border="1"> <tr> <td></td> <td></td> </tr> </table>		

Intended Outcome

There is an effective and independent Audit Committee.

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

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The Audit Committee is appointed by the Board of Directors from amongst the Non-Executive Directors and consists of three (3) members, all of whom are Independent Non-Executive Directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

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

Application	:	Applied	
Explanation on application of the practice	:	The Audit Committee possesses a wide range of necessary skills to discharge its duties in accordance with the Terms of Reference of the Audit Committee. All members are financially literate and are able to understand matters under the preview of the Audit Committee including the financial reporting process. The qualification and experience of the Audit Committee Members are disclosed in the Board of Directors profile portion of the Annual Report. The Audit Committee is always kept abreast of relevant developments in accounting and auditing standards, practices and rules by the Finance Director, Internal Auditors and External Auditors.	
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	:	<u>Risk Management Framework</u> The Board recognises that risk management is an integral part of the Group's business operations and is important for the achievement of its business objectives. The Group has established a Risk Management and Sustainability Committee ("RMSC") that is chaired by the Managing Director and its members comprise the Executive Directors, Heads of Divisions & Departments and staff from key operations. They have also been trained to identify the risks relating to their areas; the likelihood of these risks occurring; the consequences if they do occur; and the actions being and/or to be taken to manage these risks to the desired level. The risk profiles and risk treatment measures determined from this process are documented in risk registers with each business or operations area having its respective risk register. The risk registers are eventually compiled to form the Group Risk Profile for reporting to the RMSC and the Audit Committee. Ongoing risk management education and training is provided at Management and staff level by members of the RMSC. <u>Internal Control</u> The Board acknowledges that it is responsible for the establishment of an effective internal control framework Group's system of internal controls which is to maintain a sound system of internal control to safeguard shareholders' investment and the Group's assets. The Group's system of internal control involves key management of each business unit to meet the Group's particular needs, manage risks to which it is exposed, the effective and efficient conduct of operations, financial controls and compliance with laws and regulations as well as with internal procedures and guidelines to provide reasonable but not absolute assurance against misstatement or loss.

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

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Management periodically reviews the existing risks identified in the Risk Profile. A system is also in place to identify new risks which may arise over time and circumstances. The results of and the recommendations arising from these reviews are tabled to the Risk Management and Sustainability Committee and the Risk Profile updated. The updated Risk Profile will then be presented to the Board. The features of the Company's risk management and internal control framework and the adequacy and effectiveness of this framework are described in the Statement on Risk Management and Internal Control found on pages 107 to 116 of the Annual Report 2025. The Statement on Risk Management and Internal Control has been reviewed by Ernst & Young PLT, the External Auditors.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	The Group's internal audit function adopts a co-sourcing model whereby risk management, sustainability and specialised audits are performed by its in-house Assurance and Governance Department which acts independently from the activities and operations of the Group and the out-sources service provider, Deloitte Business Advisory Sdn. Bhd., a is a professional services firm performs risk-based internal audit where the results were directly reported to the Audit Committee. Collectively known as the "Internal Auditors". <u>Out-sourced Internal Audit Function</u> The Group outsourced internal audit function from an independent professional firm, namely Deloitte Business Advisory Sdn. Bhd., during the financial year under review. The Internal Auditors assisted both the Audit Committee and the Board during the financial year under review by conducting independent assessment of the adequacy and operating effectiveness of the Group's internal control system. To ensure its independence from Management, the Internal Auditors reported directly to the Audit Committee through the execution of internal audit work based on a risk-based internal audit plan approved by the Audit Committee before commencement of work. The internal audits conducted were guided by the International Professional Practices Framework ("IPPF") of the Institute of Internal Auditors which comprise the definition of Internal Audit, the Core Principles, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing ("ISPPA"). The Internal Audit Plan, which articulated the methodology adopted by the internal audit function took into consideration the Group's Risk Profile and input from Audit Committee, set out the areas of coverage and rationale for its selection and was presented to the Audit Committee for comments and subsequent approval before actual internal audit work was carried out. At the Audit Committee meeting where the Audit Plan was deliberated, members of the Audit Committee inquired from the internal audit function the basis for their selection of the in-scope areas. Feedback from the Managing Director and Finance Director was also sought by the Audit Committee on the relevance and appropriateness of the suggested audit areas for

	consideration before the Audit Committee approved the Internal Audit Plan for the Internal Auditors to commence work. The internal audit deliverables, which comprised Internal Audit reports on observations raised, recommendations suggested as well as Management's comments thereto, were issued and reported directly to the Audit Committee. At the relevant Audit Committee meetings, representatives from Deloitte Business Advisory Sdn. Bhd. tabled its report and deliberated with the Audit Committee the salient issues noted, recommendations by the Internal Auditors to address the issues as well as Management's comments on the issues highlighted. The Managing Director, Finance Director and Group Financial Controller, who were normally invited to the Audit Committee meeting, provided clarification to the Audit Committee on the matters highlighted, including action plans to address the concerns highlighted by the internal audit function. <u>In-House Internal Audit Function</u> The Assurance & Governance Department ("AGD") provides independent and objective assurance and advisory services to add value and improve the operations and internal controls of the Group. The AGD is governed by its Internal Audit Charter, which has been approved by the Audit Committee. The main functions of the AGD are to: • undertake regular and systematic reviews of the effectiveness and adequacy of the systems of internal control. The review and assessment process must be carried out impartially, proficiently and with due professional care; • ensure compliance to certification bodies requirements; • assess and report on the Management's progress and effectiveness in addressing weaknesses in internal controls and update on the extent to which recommendations have been implemented within the required timeframe to ensure that all potential weaknesses under review are mitigated or are within acceptable levels; • carrying out specialised auditing/reviews at the request of Senior Management, Audit Committee or Executive Directors; • investigate and report on suspected fraud or malpractices (if any). During the financial year 2025, 30 reports were presented to the Audit Committee incorporating findings, Internal Auditors recommendations and Management's comments. The Internal Auditors communicate regularly and report directly to the Audit Committee on their activities based on the approved Annual Internal Audit Plan to ensure their independent status within the
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	Group. The Internal Auditors are also invited to attend all meetings of the Audit Committee. The internal audit function incurred a total cost of approximately RM764,000 for the financial year 2025. The Internal Audit function has assisted the Audit Committee in discharging its duties and responsibilities with respect to adequacy and integrity of internal control within the Group. The Internal Auditors undertook the following works in accordance with the approved Audit Plan: i. Carrying out the internal auditing of the Group. ii. Facilitating the improvement of business processes within the Group. iii. Establishing a follow up process in monitoring the implementation of audit recommendation by Management. iv. Monitoring the effectiveness of the Group's risk management systems by reviewing the implementation of the risk assessment action plans by Management. v. Conducting investigation audits or special assignment from time to time as requested by Management.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	<u>Out-Sourced Internal Audit Function</u> The outsourced internal audit function is headed by En. Muzafar Kamal Mahmood, an Executive Director of Deloitte Business Advisory Sdn. Bhd., holds a Bachelor of Commerce, University of New South Wales Australia, FCPA (Australia), Chartered Accountant, Malaysian Institute of Accountant and a Professional Member of The Institute of Internal Auditors Malaysia (CMIIA). The Audit Committee was briefed by representatives of Deloitte Business Advisory Sdn. Bhd. that all their personnel deployed during the financial year under review were free from any relationships or conflicts of interest, which could impair their objectivity and independence during the course of the work. <u>In House Internal Audit Function</u> The AGD consists of four (4) independent associates and is headed by Mr. S Subhash Chandran K Sekaran Nair, General Manager, one (1) Manager, one (1) Assistant Manager and one (1) Executive. The AGD team consist of one (1) Masters of Business Administration holder and a member of Institute of Internal Auditors Malaysia and two (2) Accounting & Finance and one (1) Statistics Degree holders. Both managers have more than ten (10) years working experiences in auditing. Whilst the Executive is a fresh graduate. The Head of AGD communicates with the Audit Committee on internal audit's resource requirement and staff's proficiency to optimize audit's approved plan. The internal audit activities must be independent and internal auditors must be objective in performing their work to avoid any impairment.

	The internal audit functions performed was guided by the International Standards for the Professional Practice of Internal Auditing outlining the internal auditing process, Code of Ethics and Standards.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	The Company recognizes the importance of effective communication with its shareholders and investors. The Company's Corporate Disclosure Policy provides a framework for the Board, management and relevant staff to communicate effectively with shareholders, investors, other stakeholders and the public generally. The policy encompasses the following objectives: • to raise awareness and provide guidance to the Board and employees of the Group on the Company's disclosure obligations and practices; • to provide policies and guidelines in disseminating information to, and in dealing with shareholders, financial analysts, media, regulators, the investing community and other stakeholders; • to ensure compliance with applicable legal and regulatory requirements on disclosure of material information; and • to build good relations with the investing community to foster trust and confidence. The Corporate Disclosure policy regulates the review and release of information to the stock exchange as well as through the Company's website, facilitating timely and accurate disclosure of the Company's affairs. Various channels are used by the Board to disseminate information on major corporate developments and events. They include: • Annual General Meetings; • Various disclosures and announcements made to Bursa Securities; • Press release and press statements; • Circular to shareholders; • Company website at www.kimloong.com.my.

	Further the investing community, comprising individuals, analysts, fund managers and other stakeholders, dialogues with the Company's representatives on a regular basis. This enables the investors to get a balanced understanding of the main issues and concerns affecting the Company. Discussions at such meetings and dialogues are restricted to matters that are in the public domain. Whilst the Company endeavours to provide as much information as possible to its stakeholders, it is also conscious of the legal and regulatory framework governing the release of material and price sensitive information within which it must abide.			
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	:	<table border="1"> <tr> <td></td><td></td></tr> </table>		

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	:	Since 2016, it has been the practice of the Company to give more than 28 days' notice to its shareholders before its Annual General Meeting ('AGM') is held. The Notice of AGM is posted and published in a nationally circulated newspaper on the date on which it is despatched to shareholders. Such Notice is also announced in advance through the Bursa LINK. The Notice is issued together with the annual report in electronic form and the notification letter on the availability of the annual report posted on the Company's website. The additional notice period and notes provided in the Notice of AGM, allows the shareholders ample time to consider the resolutions and make informed decisions in exercising their voting rights at the AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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

Application	:	Applied
Explanation on application of the practice	:	All seven (7) Directors attended the last AGM held on 3 July 2024 and the EGM held on 6 September 2024. Apart from Directors, several members of Senior Management were also present to provide the necessary support during the AGM proceedings. At the AGM and the EGM, Directors are allocated responsibility to respond to questions that may be raised by shareholders in accordance with their Board or Board Committee roles. During the AGM and the EGM, shareholders were invited to raise any questions and seek clarifications on all proposals tabled and shareholders had encouragingly raised questions on the agenda items of the AGM and the EGM. Appropriate answers and/or clarifications were provided by the Board members, Committee Chairmen or Senior Management to allow the shareholders to make informed decisions when casting their votes. The Company's external auditors were also invited to participate to assist with any questions that shareholders may have had relating to the audit processes.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.3

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

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The last AGM and the EGM of the Company were held in Johor Bahru, Johor at a centrally accessible location. Adequate notice of meeting is given to all shareholders and shareholders who are unable to make the journey and attend the general meeting may submit the proxy forms to the Company to enable their proxy to attend, participate, speak and to vote on their behalf at the general meetings. Shareholders can also submit any question or query prior to the general meetings. The forthcoming 50th AGM will be held at Double Tree by Hilton, Johor Bahru. Shareholders are allowed to appoint any person(s) as their proxies to attend, participate, speak and vote in his or her stead at a general meeting. The Company had conducted poll voting at the 49th AGM held on 3 July 2024 for all resolution as set out in the notice of the AGM. The poll results of each resolution were announced at the Bursa Malaysia Securities Berhad after the AGM via Bursa LINK on the same day.
<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.

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.

Application	:	Applied
Explanation on application of the practice	:	At the last AGM and the EGM, the Chairman introduced the members of the Board of Directors and Company Secretary as well as the Senior Management, representative(s) from external auditors, share registrar/poll administrator and scrutineers of the Company who were present for the benefit of all shareholders. The Chairman proceeded with the agenda of the meeting and then the question and answers session with shareholders and provided responses to the questions. Each item of special business included in the notice of meeting is accompanied by an explanation for the proposed resolution. At the AGM, the Board presents the progress and performance of the Group as contained in the Annual Report and shareholders are encouraged to participate and are given every opportunity to raise questions or seek more information during the meeting. The Executive Chairman, Managing Director and Board members are available to respond to all shareholders' queries. The Managing Director explains the Group's strategy, performance and major developments, including the responses to questions raised by the shareholders in relation to the operational and financial performance of the Group. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Shareholders can also leave written questions for the Board to respond. The Share Registrar is available to attend to matters relating to shareholders' interests. Shareholders are welcome to raise queries by contacting the Company at any time throughout the year and need not wait for the AGM for such an opportunity.

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.

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.

Application	:	Not applicable – only physical general meetings were conducted in the financial year	
Explanation on application of the practice	:		
Explanation for departure	:	The Company’s last AGM and the EGM were held in Johor Bahru, Johor, which is also the principal place of business for the Company. In view of the number of shareholders and the size of the Company, the participation of shareholders of the Company at the general meeting is currently by way of attending in person or by proxy.	
		The shareholders are allowed to appoint any person(s) as their proxies to attend, participate, speak and vote in his stead at a general meeting. If necessary, the Group would embark on electronic voting and remote shareholder participation, if our shareholders requested for such services.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>				
Application	:	Applied		
Explanation on application of the practice	:	The minutes of meeting of the General Meetings are posted on the Company's corporate website no later than 30 business days after the meeting. A copy of the AGM minutes can be found on the company's website at www.kimloong.com.my.		
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	:	<table border="1"> <tr> <td></td> <td></td> </tr> </table>		

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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