

CORPORATE GOVERNANCE REPORT

STOCK CODE : 9466
COMPANY NAME : KKB ENGINEERING BERHAD
FINANCIAL YEAR : December 31, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

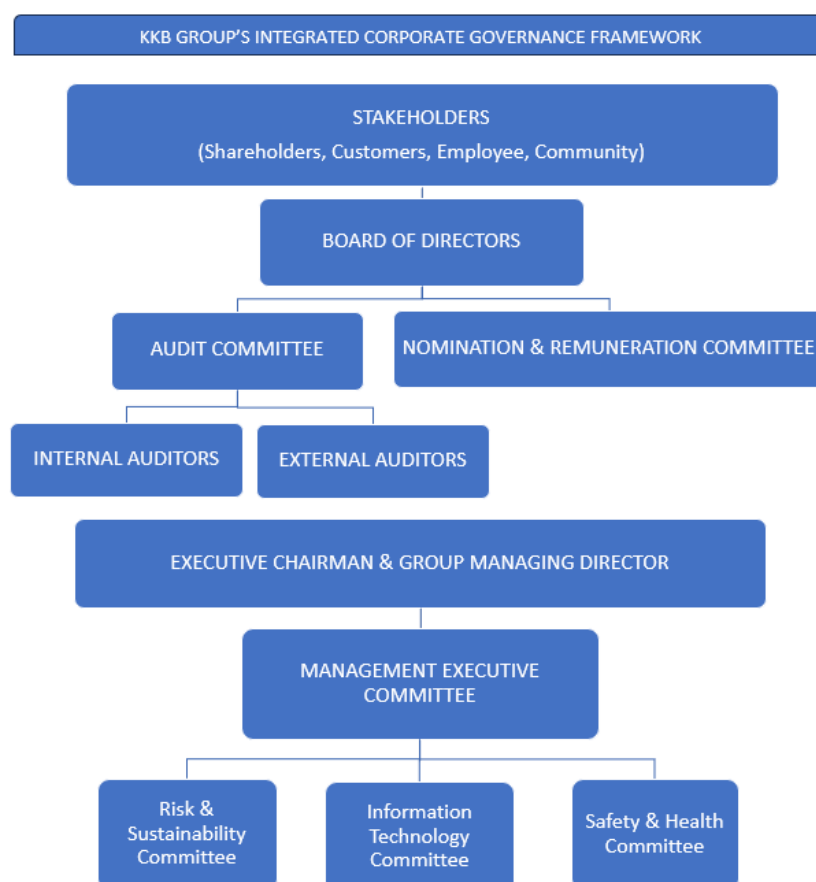
Practice 1.1

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

Application	: Applied
Explanation on application of the practice	<p>KKB Engineering Berhad ("KKB") has its Vision and Mission to achieve and guide in the day-to-day business operation.</p> <p>Vision:</p> <ul style="list-style-type: none">• A Successful and Diversified Steel Related International Business Enterprise <p>Mission:</p> <ul style="list-style-type: none">• To be "Supplier of First Choice" of Customers.• To have consistent "Fair and Equitable Return of Investment" for Shareholders.• To progress through continuous advancement on Technology, Innovation and Training.• To be "A Preferred Place of Work" of employees.• To be a good Corporate Citizen, who is committed to a high standard of protection of Health, Safety and Environment (HSE) at all times. <p>Value Creation: - <u>Our Objectives</u></p> <ul style="list-style-type: none">• To assist clients, nationwide by providing solutions with our engineering expertise.• To expand our business by offering the best in quality, cost and programme.• To provide our employees with the opportunity to develop their full potential within a safe and congenial environment.• To seek a competitive advantage by developing partnership with clients, suppliers and subcontractors.• To be a good neighbour and to contribute actively to the communities in which we operate.

	<p><u>Our Culture & Values</u></p> <ul style="list-style-type: none"> • Teamwork for Progress and Prosperity. • Quality and Safety Beyond Customer's Satisfaction. • Providing Backup for Industrial and Infrastructure Development. • Healthier Environment and Developed Infrastructure. • Safety at Work Place. <p><u>Our Goals</u></p> <ul style="list-style-type: none"> • Sustainable growth and value creation for our shareholders in a fair, transparent and responsible manner and consistent with the values of the Group. • Producing sustainable growth in the future with continued and further excellence in people leadership, strategy, commercial agility, governance and investment in technology. <p><u>Our Plan & Strategy</u></p> <ul style="list-style-type: none"> • Continuing to grow and strengthen our core business. • Widening our activities in the oil and gas sector. • Managing operating costs and business risks to stay competitive. • Adding value for our customers, employees, shareholders and stakeholders. • Increase collaboration with external partners to leverage each other's expertise. <p>During the year under review, the Board focused on the following areas to ensure good corporate governance culture is practised within the group in tandem with the Company's Mission, Objectives and Goals for sustainability business activities and development of the Group of Companies.</p> <ul style="list-style-type: none"> • Climate-Change Related; • Corporate Governance; • Technology and Cybersecurity; • Integrated Risk Management Framework; and • Anti-Bribery & Corruption. <p>Corporate governance provides a framework of control mechanisms that support the Company in achieving its goals, while preventing unwanted conflicts. The pillars of corporate governance such as ethical behavior, accountability, transparency and sustainability are important to the governance of KKB Group and stewardship of investors' capital to produce long-term value.</p> <p>The Board is committed to maintaining a strong corporate governance framework that underpins KKB's vision to be a successful and diversified steel related international business enterprise focusing on its core business of steel fabrication including fabrication for the Oil & Gas sector and manufacturing businesses. KKB Group's Corporate Governance Framework dictates how KKB and its subsidiaries are governed so as to ensure effective board, transparency on roles, responsibilities and accountability to, and engagement with stakeholders. It not only</p>
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improves the overall performance, but also promotes trust among the shareholders and other stakeholders.



Although the Board is guided by the principles and best practices in the Malaysian Code on Corporate Governance (MCCG), the Corporate Governance Framework is supplemented by the Board Charter, Directors' Fit and Proper Policy, Terms of Reference of the respective Board Committees and respective Management Committees. The Corporate Governance Framework identifies the distribution of rights and responsibilities among different participants in the Company and outlines among others the rules and procedures for decision-making, internal control and risk management.

It is not only concerned with shareholder interests but requires balancing the needs of other stakeholders such as employees, customers, suppliers, society and communities in day-to-day business operations. Overall, it is responsible for providing oversight and stewardship to KKB Group in executing the Company's objectives and exercises good governance guided by the principles and best practices in the MCCG.

The Board and Senior Management are committed to discharging their responsibilities in meeting the goals and objectives of the Company, to protect and enhance shareholders value and performance of the Group. The Board sets strategic goals and directions with a framework where

	<p>the specific powers are delegated to Board Committees and Management.</p> <p>The Board recognizes its duties and has adopted this Board Charter as a general statement of its expectations as to how it will discharge its duties and as assistance to the Board in its ongoing assessment of its own performance and that of individual Directors. The Board Charter sets out the Board's clear functions and outlines the roles and powers that the Board specifically reserves for itself, and those which it delegates to Management and in so doing, also sets the tone of various Board Committees in order to attain efficiency in Board performance.</p>	
Explanation for departure		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure		
Timeframe		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Executive Chairman reports to the Board. The primary functions of the Executive Chairman are to provide leadership and direction to the Board. He continuously facilitates the operations and deliberations of the Board's functions and responsibilities. Executive Chairman is responsible in the development and implementation of strategic initiatives and business development. He does not chair nor sit on any of the Board Committees such as Audit Committee ("AC") and Nomination & Remuneration Committee ("NRC") in the interest of good corporate governance.</p> <p>Dato Sri Kho Kak Beng was re-designated as Executive Chairman from Group Managing Director with effect from 1 March 2023. His vast experience in steel works and other related engineering and construction activities coupled with his technical and managerial skills have strongly positioned him as Executive Chairman. Dato Sri is responsible to lead the Management by guiding the Group Managing Director in devising and implementing the Group strategies and ensure the smooth functioning of day-to-day Group operations.</p> <p>Dato Sri Kho Kak Beng has always upheld the principles of transparency and accountability. He is committed to meeting the highest standards of Corporate Governance ("CG") and it is his responsibility to and not limited to the followings: -</p> <ul style="list-style-type: none">i) Provides leadership for the Board so that the Board can perform its responsibilities effectively.ii) Works with the Board and Group Managing Director to develop the strategy for the Group's future growth.iii) Works with the Group Managing Director to identify opportunities for value-enhancing strategic initiatives including acquisitions, joint ventures and strategically important relationships as well as the disposition from time to time of non-core assets and communicating regularly with the Group Managing Director regarding the pursuit of such strategic initiatives.iv) Ensures that the Board plays a full and constructive part in the determination of the Company's strategies and policies and that Board decisions taken are in the Company's best interests and fairly Board's consensus.

	v) Ensures that procedures are in place to govern the Board's operations. vi) Leads the Board in the adoption and implementation of good corporate governance practices in the Company. vii) Sets the Board agenda and ensures that Board members receive complete and accurate information in a timely manner. viii) Leads Board meetings and discussions. ix) Ensures appropriate steps are taken to provide effective communication with stakeholders and that views are communicated to the Board as a whole. x) Acts as principal liaison between the directors and the Group Managing Director and taking all reasonable steps to ensure that the expectations of the Board towards management are clearly expressed, understood and respected. xi) Works with Group Managing Director to ensure Group's operations are conducted in a best-in-class manner and management strategies, plans and performance are appropriately represented to the Board.	
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 1.3

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	Although Dato Sri Kho Kak Beng is the Executive Chairman, its chairman's independency is still maintained and Dato Sri is committed to leading the Board to meeting the objectives and goals of the Company.
	:	The Board is satisfied with the composition and good mix of Executive Directors, Independent Non-Executive Directors and Non-Independent Non-Executive Directors to carry out the Board's priorities objectively and impartially and to grow the Group effectively. Delegation of power to the Board Committees and Management Committees ensure that objectives and goals of the Company are achieved.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board will give careful consideration and take necessary measure to restructure and realign the whole Board progressively. It will carefully formulate a step-by-step framework to apply all applicable practices. In accordance with Board's Succession Plan, this is an ongoing review.
Timeframe	:	Others10 years

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Applied
Explanation on application of the practice	:	As the Executive Chairman and head of the Board, Dato Sri Kho Kak Beng does not sit on any Board Committees and Management Committees of the Company. The Company's Board Charter sets out clear functions and responsibilities reserved that Chairman of the Board should not be a member of the Audit Committee and Nomination & Remuneration Committee.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company Secretary, Ms Voon Jan Moi is a person qualified to act as a Company Secretary under Section 235(2) of the Companies Act 2016. She is qualified, experienced and capable of carrying out duties attached to the post.</p> <p>Prior to the Board meetings, the Company Secretary will furnish a notice together with an agenda to the Directors to allow them to have adequate preparation time to ensure effectiveness at the proceedings of the meeting.</p> <p>The major responsibilities of the Company Secretary are, among others:</p> <ul style="list-style-type: none">• To advise the Board on all governance matters;• To ensure Board's proceedings are followed regularly; and• To review and provide guidance to the Board on director's obligation arising from the rules and regulations including the MCCG and the MMLR. <p>In ensuring consistency of the Board's conduct and effective boardroom practices across the Group, the Company Secretary maintains oversight of the Group's corporate secretarial functions. The appointment and removal of the Company Secretary is determined by the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	Directors are supplied with relevant information and reports on financial, operations, corporate and other business development, by way of Board Meeting Papers and including Minutes of Past Meetings, report on Recurrent Related Party Transactions, updates by Regulatory Authorities, Internal and External Audit Reports. In order to ensure the Board has sufficient time to review the board papers, the Company will circulate at least seven (7) days before the date of Board meetings.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter is reviewed and approved annually by the Board of Directors and it will continuously revise and amend to be in tandem with the Malaysia Code on Corporate Governance whenever necessary.</p> <p>The respective roles and responsibilities of the Board, Board Committees, Individual Directors and Management are clearly identified in the Board Charter as follows: -</p> <p><u>The Board</u></p> <p>The Board recognizes its duties and has adopted this Charter as a general statement of its expectations as to how it will discharge its duties. The Board also believes that this Charter will be of assistance to the Board in its ongoing assessment of its own performance and that of individual Directors.</p> <p>The Board's principal functions and responsibilities include the followings:</p> <ol style="list-style-type: none"> (a) setting and reviewing strategic plans for the Group; (b) identifying principal risks and implementing appropriate system to manage such risks; (c) oversee the performance of Group businesses; (d) review the adequacy of the Group's system of internal controls; (e) promote good corporate governance culture within the company which reinforces ethical, prudent and professional behavior together with senior management; (f) review, challenge and decide on management's proposals for the company, and monitor its implementation by management; (g) ensure that the strategic plan of the company supports long-term value creation and includes strategic economic, environmental and social considerations underpinning sustainability; (h) address material environmental, social and governance (ESG) risks and opportunities relevant to the Group; (i) supervise and assess management performance to determine whether the business is being properly managed;

	<p>(j) ensure there is a sound framework for internal controls and risk management;</p> <p>(k) understand the principal risks of the company's business and recognize that business decisions involve the taking of appropriate risks;</p> <p>(l) set the risk appetite within which the board expects management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;</p> <p>(m) ensure that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of board and management;</p> <p>(n) ensure that the company has in place procedures to enable effective communication with stakeholders; and</p> <p>(o) ensure the integrity of the company's financial and non-financial reporting.</p> <p><u>The Individual Directors</u></p> <p>(i) The appointment and re-election of Directors on the Board of KKB Engineering Berhad and its subsidiaries must fulfil the "Directors' Fit and Proper Policy" of the Company.</p> <p>(ii) In discharging his/her duties, each Director must:</p> <ul style="list-style-type: none"> (a) exercise care and diligence; (b) act in good faith in the best interest of KKB; (c) not improperly use his/her position or misuse information of KKB; (d) commit the time necessary to discharge effectively his/her role as a Director. <p>(iii) The Directors are expected to discharge their duties in a professional, honest and ethical manner at all times and to avoid any conflict or potential conflict between their personal interests and the Group's interest. All Directors are required to make a declaration twice a year or as and when the conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries situation arises at the earliest opportunity.</p> <p>(iv) Independent Directors and External Auditors should confer at least twice a year without the presence of the Executive Directors.</p> <p>(v) The tenure of an Independent Director shall not exceed a term of twelve years.</p> <p>(vi) Senior Independent Director (SID) The roles of the SID are as follows:</p> <ul style="list-style-type: none"> (a) a sounding board (eyes, ears, hands; anchor-person) for the Executive Chairman (b) an intermediary for other directors when necessary; and (c) the point of contact for shareholders and other stakeholders.
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	<p><u>The Board Committees</u></p> <p>The Board has established Audit Committee and Nomination & Remuneration Committee to assist in the discharge of duties and responsibilities. Each of the Committees will operate within the defined terms and reference or procedures and the Chairman of respective Committees will report to the Board on matters considered and submit recommendations to the Board for approval as appropriate. The members of each Board Committee shall be determined by the Board acting on the recommendation of the Nomination & Remuneration Committee.</p> <p>Key matters reserved for the Board’s approval include the annual and quarterly financial result, annual business plan and budget, and also remuneration of the Directors and Senior Management.</p> <p>Further information on the Board roles and responsibilities can be reached at https://kkbeb.com.my/about-us/corporate-governance/ for Company’s Board Charter.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Code of Business Conduct and Ethics</p> <p>KKB Engineering Berhad and its Group of Companies has in place a Code of Business Conduct and Ethics ("the Code") which is the reflection of the Group's Vision and Mission, and is used to create, and to protect sustainable value to our stakeholders in a fair, transparent and responsible manner.</p> <p>The Code applies not only to our directors and employees, its applicability extends further to any third party with whom or with which the Company has commercial dealings.</p> <p>In essence, the Code advocates ethical business practices, and denounces any act or conduct in contravention to the legal or moral principles such as abuse of power, corruption, insider trading and money laundering.</p> <p>The Company is fully aware that a single code may not be sufficient to address the need on good corporate governance. Therefore, various policies and procedures have been crafted by the Company, all of which form the Company's ecosystem on corporate governance.</p> <p>Anti-Bribery & Corruption Policy</p> <p>Guided by the Malaysian Anti-Corruption Commission Act 2009, the Company's Anti-Bribery and Corruption Policy ("ABC Policy") is designed specifically to combat any act of bribery and corruption both within the Company and in its supply chain.</p> <p>Internally, trainings aiming at fostering awareness on bribery and corruption have been provided to our employees. This is complemented by a yearly integrity pledge by our employees, underscoring our continuous commitment in promoting ethical business practices.</p>

	<p>The risk of corruption may be from the outside of the Company. As such, we adopted due diligence process in assessing our customers and suppliers. This process consists of the Anti-Bribery and Corruption Questionnaires for Third Party which is to be completed by our customers and suppliers, and the Internal Due Diligence Questionnaires is to be conducted internally.</p> <p>Anti-Competition Policy</p> <p>At KKB Group, we uphold the principles of fair trade and fair competition knowing that these principles are crucial to the healthy growth of the economy. This is evidenced by the launch of the Company's Anti-Competition Policy ("AC Policy").</p> <p>The AC Policy identifies the circumstances under which anti-competition practices could be affirmed or inferred. With knowledge on what constitutes anti-competition practices, the Company is better equipped to remain competitive without compromising the fundamental principles on fair trade and competition.</p> <p>Anti-Money Laundering & Anti-Terrorism Financing Policy</p> <p>Our answer to money laundering and terrorism financing is the Anti-Money Laundering & Anti-Terrorism Financing Policy. Our approach is to detect red flags, prevent red flags, and mitigate the risk of red flags.</p> <p>Reg flags refer to circumstances signalling the actual or potential commission of the money laundering and terrorism financing activities.</p> <p>Conflict of Interest Policy & Procedures</p> <p>The directors and the employees of the Company are obligated to disclose any personal or private interest which has or might be in conflict with that of the Company, including any circumstances under which the impartiality of the director or employee concerned may potentially be affected.</p> <p>Whistle Blowing Policy and Procedures</p> <p>Whistle blowing is a pillar towards good corporate governance. By virtue of the Whistle Blowing Policy and Procedures, the Company provides a proper channel to its employees or any other person or party to raise genuine concern on any matters involving the Company.</p> <p>All of the above policies is published and can also be viewed at https://kkbeb.com.my/about-us/corporate-governance/.</p>
Explanation for departure	:

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

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's Whistle Blowing Policy and Procedures fosters an environment that engenders integrity, transparency and fairness to all employees and is encouraged to raise genuine concerns about possible improprieties in matters of financial reporting, compliance and other malpractices at the earliest opportunity, and in an appropriate way.</p> <p>The Group's Whistle Blowing Policy and Procedures is designed to support the Group's value, ensure employees can raise concerns without fear of reprisals and provide a transparent and confidential process for dealing with concerns.</p> <p>Whistleblower may raise concern not only covers possible improprieties in matters of financial reporting, but also on the fraud, corruption, bribery or blackmail, criminal offences, failure to comply with a legal or regulatory obligation, miscarriage of justice, endangerment of an individual's health and safety, and concealment of any or a combination of the above.</p> <p>If any employee believes reasonably and in good faith that malpractice exists in the work place, the employee should report this immediately to the Head of Human Resource and Business Services. However, if for any reason the employee is reluctant to do so, then the employee should report the concerns to the Senior Independent Director through telephone or email.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome


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

Practice 4.1

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

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

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

Application	: Applied
Explanation on application of the practice	<p>The Group's sustainability governance framework serves to institutionalise sustainability considerations into KKB Group's businesses, strategy, financial planning and decision-making process. The Board sets the strategic direction of the Group and ensure that sustainability is embedded in the Group with adequate resources, systems and processes in place for managing sustainability matters.</p>  <pre>graph TD; A[BOARD OF DIRECTORS] --> B[AUDIT COMMITTEE]; B --> C[MANAGEMENT EXECUTIVE COMMITTEE]; C --> D[RISK & SUSTAINABILITY COMMITTEE]; D --> E[HEAD OF DEPARTMENTS / DIVISIONS]; E --> F[Finance]; E --> G[HR & Business Services]; E --> H[Corporate & Legal Affairs]; E --> I[Information Technology]; E --> J[Business Development]; E --> K[Operations];</pre> <p>During the year under review, an enhancement to the Group's sustainability governance structure has been undertaken to ensure the integration of sustainability considerations into the day-to-day operations of the Group, and to catalyse the effective implementation of the Group's sustainability strategies and plans.</p> <p>The Board is responsible for steering the highest level of sustainability direction of the entire Group. They exercise direct oversight over all sustainability matters and ensure that all proposed or implemented sustainability plans, strategies and policies adhere to the current prevailing practices through the Audit Committee. The Board is ultimately responsible for setting the tone of KKB Group in its sustainability journey. This includes putting in place a Sustainability Policy that: -</p>

	<ul style="list-style-type: none"> ✓ Integrate the principles of sustainability into the Group's businesses for value creation; ✓ Identify and prioritise material sustainability matters for risk minimalization and, opportunity exploitation; ✓ Create a culture of sustainability within the Group and the community with an emphasis on integrating the environmental, social and governance considerations into decision making and the delivery of outcomes. <p>The Audit Committee supports and oversees the Board's oversight of the Group's sustainability objectives, policies and practices.</p> <p>The Management Executive Committee (MANCO), headed by the Group Managing Director, is responsible for overseeing and ensuring all the Board's sustainability-related decisions and instructions are implemented smoothly, and in accordance to the applicable laws, rules, regulations and best practices. The MANCO comprises of Senior Management personnel such as Group Managing Director, Executive Director, Group Chief Financial Officer, Chief Operating Officer and Senior Managers. The MANCO is also charged with the responsibility to evaluate the Group's sustainability performance and to make appropriate recommendations to the Board for approval.</p> <p>The Risk & Sustainability Committee is led by the Executive Director to initiate and implement the Group's sustainability strategies, policies, related frameworks, priorities, targets and practices as approved by the MANCO, and to ensure alignment with the interest of the customers, employees, shareholder, communities and other stakeholders. The RSC consists of Management personnel such as Group Managing Director, Executive Director, Group Chief Financial Officer, Chief Operating Officer, Senior Managers and Management staff from various Departments and Sections of the Group who are responsible for the day-to-day operation of the Group's businesses.</p> <p>The Head of Departments/Divisions, supported by key senior management personnel of the Group, is mandated to identify sustainability matters that are material to the Group, or which would significantly impact the interest of any of the Group's identified stakeholders.</p> <p>The Group recognises the importance of Governance Sustainability to gain the confidence of investors, stakeholders and the public incorporating into it all functions and processes which such as strategic planning, accountability, sustainable planning and development in compliance with the law, regulations, requirements and standards specified by regulatory bodies.</p>
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Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>KKB Group works collaboratively with various internal and external stakeholders such as the investors or shareholders, customers, employees, business associates or vendors, authorities, community and media. Effective communication continues to leverage on various communication platforms with the internal and external stakeholders in delivering the Company's sustainability strategies and priorities.</p> <p>Among others, the Group communicates through its Annual Report, Company's website, internal meetings and emails, conferences, financial performance results, general meetings, public engagement events and etc. The Board through its Risk & Sustainability Committee has put in place a Sustainability Policy to govern the overall Sustainability approach for the Group.</p> <p>An overview of the efforts undertaken by the Group to engage with its stakeholders is disclosed in the Sustainability Statement and Corporate Governance Overview Statement in the Annual Report 2024 which can be reached at https://kkbeb.com.my/about-us/corporate-governance/ for further information.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board and the Management sets the strategic direction of the Group and ensure that sustainability is embedded in the Group with adequate resources, systems and processes in place for managing sustainability issues. During the financial year under review, the Board's highlight activities and priorities on sustainability were as follows: -</p> <p>Climate-Change Related</p> <ul style="list-style-type: none">- KKB Group's Roadmap on Sustainability Reporting- Establishment of "Enhanced Sustainability Reporting Requirements Manual".- Establishment of "Advisory Paper on Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations".- Establishment of "Illustrative Example on Reporting Against Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations".- Subscription of Bursa Malaysia Securities Berhad's Centralized Sustainability Intelligence ("CSI") Solution. <p>Corporate Governance</p> <ul style="list-style-type: none">- Resignation and new appointment of Independent Director- Changes in Board Committees- Enhancement and establishment of relevant Policies- Artificial Intelligence (AI) Governance awareness <p>Technology and Cybersecurity</p> <ul style="list-style-type: none">- Technology and Cybersecurity Refresh Strategic Roadmap for KKB Group- IPayroll Management Software upgrade <p>Integrated Risk Management Framework</p> <ul style="list-style-type: none">- Risk Identification for 2025- Major Risk Management for 2024 <p>Anti-Bribery & Corruption</p> <ul style="list-style-type: none">- Awareness and training on all employees- Carried out 'Integrity Pledge by Employee'.

	The Board also identified its professional development by updating and developing their knowledge and enhancing their skills through appropriate continuing education and life-long learning to sustain their active participation in board deliberations for years to come.	
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	:	<p>The Board carries out performance evaluation of its members and senior management through assessment and evaluation practiced annually by the Nomination & Remuneration Committee (NRC).</p> <p>In executing its duties, the NRC is guided by the Directors' Fit & Proper Policy. It is responsible for the structure, size and composition of the Board, the Board Committees, and the contribution of each individual Director including Independent Non-Executive Director. The NRC also evaluated the performance of Group Chief Financial Officer and make recommendation to the Board.</p> <p>The Directors' Fit and Proper Policy serves as a guide to the NRC and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking for re-election. This Policy sets out the fit and proper criteria for the appointment and re-election of Directors and to ensure that each of the Directors has the character, experience, integrity, competence and time to effectively discharge his/her role as a Director of KKB Engineering Berhad and its subsidiaries. Although internally facilitated, a detailed assessment using evaluation form is carried out. Such evaluation forms are continuously enhanced to keep pace with changing business environment.</p> <p>The step-by-step assessment process of the Board, Board Committees, Individual Director and Group Chief Financial Officer for the year ended 31 December 202 is stated as follows:</p> <ul style="list-style-type: none">i) The Evaluation Form of Board, Individual Director, Group Chief Financial Officer and Self Evaluation, Audit Committee, and NRC are sent to all NRC members for their action.ii) Members of NRC will evaluate, recommend and complete all the evaluation forms and thereafter return to Management office for compiling.iii) Thereafter, the NRC members will discuss during the meeting and make recommendation to the Board at the Board of Directors' Meeting.iv) Chairman of NRC is required to report outcome of assessment and tabled to the Board during the Board of Directors' Meeting.

	During the year under review, Datin Mary Sa'diah binti Zainuddin, Independent Director who has served for twelve (12) years has tendered her resignation. At the same time, Mdm. Norliza binti Mohamad Nawli was appointed as new Independent Director to fulfill one-third (1/3) independent directors on the Board and in compliance with Paragraph 15.02 of Listing Requirements with effect from 1 September 2024. Assessment and evaluation have been conducted prior of her appointment. Besides, the annual assessment and evaluation of all directors and re-election of directors also have been made.	
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	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC is established to regularly assess the independence of independent directors and the overall composition of the Board. During the financial year under review, NRC members met on 22 February 2024 and 22 August 2024. The meeting was attended by all members to deliberate, inter alia, on the followings: -</p> <ul style="list-style-type: none">• Deliberated on Directors retirement by rotation at the Annual General Meeting ("AGM") in accordance with Clause 22.2 of the Company's Constitution and recommended for re-election at the AGM.• Evaluated the Board's required mix of skills and experience and other qualities including core competencies.• Evaluated the performance of the Board including Directors' commitment and contributions at meetings and Committees' performance.• Evaluated and assessed the independence of independent directors and make recommendations as appropriate.• Evaluated the Group Chief Financial Officer's character, experience, integrity, competence and time to discharge her role and make recommendation as appropriate.• Reviewed and made recommendations to the Term of References of the Board Committees.• Reviewed the term of office and evaluated the performance of the Audit Committee and each of the members to determine whether the Audit Committee and its members have carried out their duties in accordance with the Terms of Reference.• Reviewed and recommended Directors' training needs and programmes.• Reviewed the three (3) years Company's Succession Plan for Board of Directors, Board Committees and Senior Management.• Reviewed the Company's Succession Planning Policy. <p>NRC also made recommendations to the Board the following matter:</p> <ul style="list-style-type: none">• retaining Datin Mary Sa'diah binti Zainuddin as Independent Director for Shareholders approval at the Annual General Meeting pursuant to Principle A, Practice 5.3 of the Malaysia Code on Corporate Governance 2021.

	<ul style="list-style-type: none"> Resignation of Datin Mary Sa'diah binti Zainuddin and appointment of Mdm. Norliza binti Mohamad Nawi as Independent Director. 	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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	:	<p>The right board composition influences the ability of the board to fulfil its oversight responsibilities. An effective board includes the right group of people, with an appropriate mix of skills, knowledge, experience and independent elements that fit the company’s objectives and strategic goals. The current Board composition of KKB comprises the following directors:</p> <table><tr><th>Category</th><th>No. of Directors</th></tr><tr><td>Executive Director (“ED”)</td><td>3</td></tr><tr><td>Independent Non-Executive Director (“INED”)</td><td>3</td></tr><tr><td>Non-Independent Non-Executive Director (“NINED”)</td><td>3</td></tr><tr><td>Total</td><td>9</td></tr></table> <p>During the year under review, Independent Director who have served for a cumulative period more than twelve (12) years was resigned and one (1) new Independent Director was appointed to fulfill one-third (1/3) Independent Director on the Board and in compliance with Paragraph 15.02 of Listing Requirements.</p> <p>The Board through the NRC also considers woman candidates as part of recruitment exercise to ensure gender diversity. Out of nine (9) Directors, two (2) Directors are female. It will review yearly its Succession Plan to ensure an effective and suitable composition, including the right Board size.</p> <p>The Board is satisfied with the composition and good mix of Executive Directors, Independent Non-Executive Directors and Non-Independent Non-Executive Director to carry out the Board’s priorities objectively and impartially and to grow the Group effectively. The Board will give careful consideration and take necessary actions to align the whole Board progressively. It will ensure an effective and suitable Board composition, including the right Board size in the best interest of the Company.</p>	Category	No. of Directors	Executive Director (“ED”)	3	Independent Non-Executive Director (“INED”)	3	Non-Independent Non-Executive Director (“NINED”)	3	Total	9
Category	No. of Directors											
Executive Director (“ED”)	3											
Independent Non-Executive Director (“INED”)	3											
Non-Independent Non-Executive Director (“NINED”)	3											
Total	9											

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

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board takes cognisance of Practice 5.3 of the MCCG that the tenure of an independent director should not exceed a term limit of nine (9) years. Although a longer tenure of directorship may be perceived to have an effect on a director's independence, the Board is of the view that the ability of long serving independent directors to remain independent and to discharge their duties with integrity and competency should not be measured solely by tenure of service or any pre-determined age.</p> <p>The Board seeks to strike an appropriate balance between tenure of service, continuity of experience and refreshment of the Board. Such refreshment process of the Board will take some time and cannot happen overnight in order to maintain stability to the Board. Furthermore, the Company benefits from such directors who have, over time, gained valuable insights into the Group, its market and the industry.</p> <p>The Board continues to retain the Independent Director beyond nine (9) years and will seek shareholders' approval through a two-tier voting process at the 48th Annual General Meeting ("AGM"). In justifying the decision, the NRC is entrusted to assess the candidate's suitability to continue as an Independent Non-Executive Director based on the criteria on independence and to disclose the reasons for retaining him/her as Independent Director in the Notice of AGM.</p> <p>Although Datin Mary Sa'diah binti Zainuddin have served beyond nine (9) years on the Board as Independent Non-Executive Director, their long tenure has not impaired their Independent Director's background and can continue to bring independence and objective judgment to the Board's decision with their vast experience and background qualification.</p> <p>Datin Mary Sa'diah binti Zainuddin was appointed as Independent Non-Executive Director on 3 September 2012. The NRC has assessed the independency of Datin Mary Sa'diah and she has met the criteria as Independent Non-Executive Director pursuant to MMLR. Although</p>

	<p>having served for a cumulative term of more than nine (9) years, Datin Mary Sa'diah is subject to yearly assessment and review by the Board through a transparent criteria evaluation. Datin's valuable advice on oil and gas industry matters and wide knowledge will continue to add credence to the Company and will not have any adverse effect on his independency as Independent Non-Executive Director.</p> <p>Further, her genuine commitment to serve in the best interest of the Company coupled with her high intellect and integrity puts her in right position as Independent Non-Executive Director. She has no conflict of interest or undue influence from interested parties. Datin Mary is able to challenge ideas and can provide strong independent leadership to the Company. She attended all scheduled Board meetings, NRC meeting and Annual General Meeting without fail during the year under review.</p> <p>In compliance with MMLR and MCCG, Datin Mary Sa'diah resigned as Independent Director on 1 September 2024 having served for more 12 years. At the same time, Ir. Haji Othman was appointed as Independent Director to fulfill one-third (1/3) requirement of Independent Directors on the Board and in compliance with Paragraph 15.02.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.4 - Step Up

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

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board takes into consideration diversity in skills, experience, age, cultural background and gender in seeking potential candidate as Director and Senior Management.</p> <p>The Board comprises three (3) Executive Directors, four (3) Independent Non-Executive Directors and one (3) Non-Independent Non-Executive Director which are comes from different academic background, diversity in skills, experience, age, cultural background and gender. Out of nine (9) directors, two (2) directors are female.</p> <p>In compliance with Paragraph 15.06 of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB"), the Directors of KKB do not hold more than five (5) directorships in Listed Issuers and the listing of directorships held by Directors is confirmed by each Director twice a year. Therefore, Directors are able to devote the required time to serve the Board effectively.</p> <p>Further information on the Board diversity in gender, age, ethnic, skills and experience and Corporate Governance Overview Statement in the Annual Report 2024. Its also can be reached at https://kkbeb.listedcompany.com/agm.html of the Company's website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The NRC is responsible for considering and proposing new nominees to the Board, assessing and evaluating the relevant expertise and contribution of existing Board as a whole, Board Committees and of Individual Director. The NRC is guided by "Directors' Fit and Proper Policy" when recruiting new director or new candidates. All criteria for recruitment will be reviewed by the Board annually.</p> <p>The NRC will as an ongoing process continue to select new potential director and/or with view of filling vacancy and to review the profile of the potential candidates from various sources as and when the need arises.</p> <p>The Board will also utilise independent sources to identify suitably qualified candidates through independent third party, body corporate or association.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board ensure that Shareholders can refer the information on the appointment and reappointment of a director at the Notice of Annual General Meeting under the Explanatory Notes. The Board provided a statement to support on the appointment or reappointment of the candidates or directors and also the reasons.</p> <p>Kindly reach the link at https://kkbeb.listedcompany.com/agm.html for further information.</p> <p>Besides, shareholders also can get information of the above matters in Company's Announcement at Bursa's website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC is established to regularly assess the independence of independent directors and the overall composition of the Board. NRC comprises exclusively Non-Executive Directors and two of them are Independent.</p> <p>The current Chairman of the NRC is Mr. Yong Voon Kar who is nominated amongst the Independent Non-Executive Directors. He was appointed as Chairman of NRC on 31 May 2023.</p> <p>He leads the Company's Succession Plan, appointment and reappointment of Board members, including the Chairman and Group Managing Director. Mr. Yong Voon Kar also lead the annual review of the Board effectiveness through yearly assessment to ensure that the performance of each individual director is independently assessed.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	As at financial year end 31 December 2024, there are nine (9) Directors on the Board. Out of nine (9) Directors, two (2) Directors are women equal to 22.2% only.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	The Board will give careful consideration and take necessary measure to comply including any restructuring and re-alignment of the whole Board progressively through its three (3) years Succession Plan.	
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	:	Applied	
Explanation on application of the practice	:	<p>The Board has established its “Gender Diversity Policy” and have been reviewed by the Nomination & Remuneration Committee annually. The Policy is to pursue its gender diversity agenda for the Board and Senior Management.</p> <p>The Policy is disclosed in its Annual Report 2024 and can be reached at https://kkbeb.com.my/about-us/corporate-governance/ for further information.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>The Directors' Fit and Proper Policy serves as a guide to the NRC and the Board in their review and assessment of candidates that are to be appointed on to the Board as well as Directors who are seeking for re-election. This Policy sets out the fit and proper criteria for the appointment and re-election of Directors and to ensure that each of the Directors has the character, experience, integrity, competence and time to effectively discharge his/her role as a Director of KKB Engineering Berhad and its subsidiaries. Although internally facilitated, a detailed assessment using evaluation form is carried out. Such evaluation forms are continuously enhanced to keep pace with changing business environment.</p> <p>The step-by-step assessment and evaluation process of the Board, Board Committees, Individual Director and Group Chief Financial Officer for the year ended 31 December 2024 is stated and disclosed in Annual Report 2024 and can be reached at https://kkbeb.com.my/about-us/corporate-governance/ for further information.</p>
Explanation for departure	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	
	:	

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has in place a Remuneration Policy and Procedures to determine the remuneration of Directors and Senior Management and is being reviewed annually. Please refer to KKB's website link at https://kkbeb.com.my/about-us/corporate-governance/ for Remuneration Policy and Procedures. The packages take into consideration the demands, complexity and performance of the Company as well as skills and experience requirements.</p> <p>The Board through its NRC will determine the remuneration of Executive Chairman, Group Managing Director, Executive Director and Group Chief Financial Officer and Senior Management (as assisted and recommended by Group Managing Director and/or Group Executive Director) reflecting the level of responsibility, experience and commitment. The fees paid to Non-Executive Directors are the responsibilities of the entire Board. No director is involved in determining his/her own remuneration.</p> <p>The NRC also recommends to the Board the framework of the Executive Directors' remuneration and the remuneration package for each Executive Director, drawing from outside advice as necessary. As part of its ongoing corporate governance exercise, the NRC will also review, approve and recommend to the Board the Senior Management's remuneration package as evaluated and recommended by Executive Chairman and/or Group Managing Director.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The board has its Nomination & Remuneration Committee ("NRC") to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Board and Senior Management. NRC comprises exclusively Non-Executive Directors and two of them are Independent Directors.</p> <p>NRC operates within defined terms of reference or procedures. The Chairman of the Nomination & Remuneration Committee will report to the Board on matters considered and submit recommendations to the Board for approval as appropriate.</p> <p>The Remuneration Policy and Procedures and the NRC's terms of reference are made through a transparent and independent process. Both policy and terms of reference are disclosed on the KKB's website and can be reached at https://kkbeb.com.my/about-us/corporate-governance/ for further information.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has in place a Remuneration Policy and Procedures to determine the remuneration of Directors and Senior Management and being reviewed annually. The packages take into consideration the demands, complexity and performance of the Company as well as skills and experience requirements.</p> <p>The Board through its NRC will determine the remuneration of each Executive Director, Group Executive Director and Group Managing Director reflecting the level of responsibility, experience and commitment. The fees paid to Non-Executive Directors are the responsibilities of the entire Board. No director is involved in determining his/her own remuneration.</p> <p>The details of remuneration paid to Executive Directors and Non-Executive Directors for the financial year ended 31 December 2024 are disclosed as follows: -</p>

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	Dato Sri Kho Kak Beng	Executive Director	-	-	2,528,340	2,106,950	44,998	480,000	5,160,288	-	240,000	2,528,340	2,106,950	44,998	480,000	5,400,288
2	Mr. Kho Pok Tong	Executive Director	-	-	840,000	420,000	29,408	336,869	1,626,278	-	120,000	840,000	420,000	29,408	354,667	1,764,076
3	Ms. Kho Poh Lin	Executive Director	-	-	537,574	165,408	23,171	233,422	959,575	-	24,000	537,574	165,408	23,177	236,951	987,105
4	Dr. Arjunan Subramaniam	Non-Executive Non-Independent Director	73,458	2,000	-	-	-	-	75,458	73,458	2,000	-	-	-	-	75,458
5	Datin Mary Sa'diah binti Zainuddin	Independent Director	48,972	13,500	-	-	-	-	62,472	48,972	13,500	-	-	-	-	62,472
6	Mr. Lau Nai Pek	Non-Executive Non-Independent Director	73,458	14,000	-	-	-	-	87,458	73,458	14,000	-	-	-	-	87,458
7	Mr. Yong Voon Kar	Independent Director	73,458	20,000	-	-	-	-	93,458	73,458	20,000	-	-	-	-	93,458
8	Mr. Chai Woon Chew	Non-Executive Non-Independent Director	73,458	8,000	-	-	-	-	81,458	73,458	8,000	-	-	-	-	81,458
9	Ir. Haji Othman bin Abdul Kadir	Independent Director	73,458	8,000	-	-	-	-	81,458	73,458	8,000	-	-	-	-	81,458
10	Mdm. Norliza binti Mohamad Nawi	Independent Director	24,486	500	-	-	-	-	24,986	24,486	500	-	-	-	-	24,986
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board is of the opinion that the disclosure on a named basis of the top five Senior Management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000 would not be beneficial to the Company and to the individual Senior Management's interest due to the following reasons:</p> <ul style="list-style-type: none">a) Confidentiality and sensitivity of personal information of Senior Management;b) Will give rise to breach of personal data protection;c) Security concerns for the staff including their family members;d) Could potentially create friction among the Senior Management staff;e) Encourage staff pinching or poaching of executives in the industry; andf) Detrimental to the Company's continuous effort to attract and retain its scarce human assets/ talents. <p>The Board ensures that the remuneration of Senior Management commensurate with the performance of the Company, with due consideration to attracting, retaining and motivating Senior Management to lead and run the Company successfully.</p> <p>The Company noted that the non-disclosure of the remuneration of the top five Senior Management is a departure from Practice 8.2 of the MCCG but nevertheless will consider the application of Practice 8.2 when the Company is satisfied that there are adequate rules and regulations set in place by the authorities to protect the Company from losing its invaluable human assets/talents.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Audit Committee comprises entirely non-executive directors with majority of them being independent directors in compliance with Paragraph 15.09(1)(a) and (b) of Bursa Securities Listing Requirements. Mr. Yong Voon Kar becomes Chairman of Audit Committee in place of Dr. Arjunan Subramaniam with effect from 31 May 2023. As Chairman, he is an independent director and not the Chairman of the Board in compliance with Paragraph 15.10 of Bursa Securities Listing Requirements and Practice 1.4 of MCCG.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	Audit Committee (“AC”) has their Terms of Reference as a guide on any decisions make. Requirement for a former key audit partner to observe a cooling-off period at least three years before being appointed as a member of the Audit Committee is one of the AC terms of reference. Please visit KKB website at https://kkbeb.com.my/about-us/corporate-governance/ for further information.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee has its Terms of Reference to assess the suitability, objectivity and independence of the External Auditor to safeguard the quality and reliability of audited financial statements.</p> <p>During the 3Q24 the External Auditor, Messrs Ernst & Young PLT presented the Audit Committee its Audit Plan outlining its engagement team, audit timeline, areas of audit emphasis, focus on key audit matters etc. The Audit Committee assessed the external auditor based on this and reports to the Board and makes recommendation for shareholder approval at the forthcoming AGM.</p> <p>The Audit Committee reviews the performance of the External Auditor once a year through their Evaluation Assessment yearly to assess the suitability, objectivity and independence of the External Auditor.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	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 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board appoints the AC members according to the Terms of Reference ("TOR") laid down. The Board through its NRC reviews the terms of office of the AC members and assess the performance of the AC and its member through an evaluation form. The Chairman and the members are financially literate and have carried out their duties in according with the TOR of the AC which is available on KKB Engineering website at www.kkbeb.com.my/about-us/corporate-governance/</p> <p>All members of the AC undertake continuous professional development through attending courses, trainings and seminars to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules. Below is the list of course, training and seminars attended by the AC members for the financial year ended 2024.</p> <p>1) Mr Yong Voon Kar</p> <ul style="list-style-type: none">• Being Sued as an INED – A Personal Journey• Auditing Strategy Risks – An important consideration for Enterprise Risk Management and Internal Audit in today's turbulent business landscape• 2025 Budget and Tax Conference• Driving Strategy and Efficiency Through Cost Allocation• Joint Ventures, Shareholders Agreement and Conflict of Interest Situations <p>2) Ir. Haji Othman bin Abdul Kadir</p> <ul style="list-style-type: none">• Mandatory Accreditation Programme (MAP) II <p>3) Mr Lau Nai Pek</p> <ul style="list-style-type: none">• Governance and Risk Management Practices for the Financial Markets in the 21st Century• Khazanah Megatrends Forum 2024

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

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognizes the importance of maintaining a sound risk management practices and internal control system to safeguard shareholder's investment and Group's assets.</p> <p>The Group's risk management and internal control framework is adequate and effective with a structured approach to implement, monitor, review and improve in tandem with changing business environment. The Group's risk management is an ongoing process and the Board recognizes its responsibility for identifying principal risks and ensuring the implementation of appropriate systems to manage the risks.</p> <p>The Board together with the assistance of the Audit Committee, the Management Executive Committee, Risk & Sustainability Committee, professionals and advisers such as the External Auditors and Internal Auditors, identify risks as an ongoing process and ensure continuous risk management arising therefrom.</p> <p>Kindly reach the link at https://kkbeb.listedcompany.com/agm.html for further information in Statement of Risk Management and Internal Control of our Annual Report 2024.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has established a framework for identifying, evaluating, managing and reporting the significant risks of the Group.</p> <p>The Board reviewed the Group's Integrated Risk Management Framework to provide a strategic combination of risk management techniques to manage current and future risks faced by the Group. It defines the specific set of functional activities and processes used to manage risks and describes the accountability and reporting methods that will support the risk management process. It aims to create a holistic view of all potential risks and opportunities, ensuring they are managed effectively and consistently throughout various departments and divisions.</p> <p>The Group's Integrated Risk Management Framework is aligned with the Economic, Environmental, Social and Governance (EESG) related risks as recommended by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) version 2018.</p> <p>Kindly reach the link at https://kkbeb.listedcompany.com/agm.html for further information in Statement of Risk Management and Internal Control of our Annual Report 2024.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	<p>The Group outsourced its Internal Audit function to external party which assists the Audit Committee in the discharge of its duties and responsibilities. All internal audit functions during the financial year were conducted by Crowe Corporate Services Sdn. Bhd. and has resumed its internal audit services effective 1 January 2023 in place of Core Business Success Sdn. Bhd. Its role is to provide independent and objective reports on the Group's management, records, accounting policies and controls to the Board.</p> <p>Once a year, the Audit Committee meets with the Internal Auditors without the presence of other Directors and Management of KKB Group. The independent meeting held on 22 February 2024 was to ensure that the internal audit function is effective and able to function independently. The Internal Auditors reports directly to the Audit Committee and his findings and recommendations are communicated to the Board via the Audit Committee.</p> <p>The Internal Audit Function's activities are outsourced to an independent service provider, who is adequately resourced to ensure the audit activities are carried out professionally with independence, objectivity and impartiality without interference.</p> <p>The Internal Auditors' role is separate (although may overlap) from that of the RSC as it regularly evaluates on an independent basis the effectiveness and appropriateness of the entire risk management and internal control structure as directed by the AC. In addition, the Internal Auditors may also provide such assurance and advice covering specialized areas. With the report presented to the AC, the AC in turn reports to the Board for review on the adequacy and effectiveness of the risk management and internal control system.</p> <p>The Internal Auditors carried out detailed risk audits on each identified area as per directed and approved by the AC and Internal Audit Charter as a guideline.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose—

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Internal Audit Function of the Company is outsourced to an independent professional firm whose personnel are free from any relationships in ensuring an independent, objective assurance and to add value to and improve the Group's operations.</p> <p>For impartiality and independency, the Internal Auditors ("IA") report directly to the AC on its findings and recommendations. Any necessary corrective action after reporting to the Board by the AC will be monitored by the management.</p> <p>During the financial year under review, the IA carried out its audit assignments as approved by the AC. The audit subjects were selected based on a risk assessment exercise reviewed by the AC. The AC received and reviewed the Internal Audit Reports highlighting audit issues, recommendations and management response and directed actions to be taken by management to rectify and improve the system of risk management and internal control.</p> <p>The Group outsourced its Internal Audit function to external party which assists the Audit Committee in the discharge of its duties and responsibilities. All internal audit functions during the financial year were conducted by Crowe Corporate Services Sdn. Bhd. and has resumed its internal audit services effective 1 January 2023. Its role is to provide independent and objective reports on the Group's management, records, accounting policies and controls to the Board.</p> <p>Once a year, the Audit Committee meets with the Internal Auditors without the presence of other Directors and Management of KKB Group. The independent meeting held on 22 February 2024 was to ensure that the internal audit function is effective and able to function independently. The Internal Auditors reports directly to the Audit Committee and his findings and recommendations are communicated to the Board via the Audit Committee.</p>

	<p>During the FYE 2024, the total cost incurred for the internal audit function was in the region of RM32,000 (FYE 2023: RM32,000).</p> <p>The AC has assessed the performance of the IA and was satisfied that the IA function continue to deliver value-added assurance to KKB.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognizes the importance of communication and proper dissemination of information to its shareholders and investors. Through disclosure of relevant information such as announcements, quarterly reports and financial results, Annual Reports and Circulars, the Company aims to provide transparency to shareholders.</p> <p>In that connection the Company has set out the internal Corporate Disclosure Policy and Dividend Policy which are practical and in compliance with the disclosure requirements by Bursa Malaysia Listing Requirements. The policies can be accessed from on our website.</p> <p>The Company practises two-way communication with stakeholders through various means. This includes:</p> <ul style="list-style-type: none">• Annual General Meeting ("AGM") is a platform to allow shareholders dialogues and allows shareholders to pose questions for the Board of Directors, Senior Management team, External Auditors and Internal Auditors to response and clarification. Notice of AGM and Notice of Dividend Entitlement and Payment which specify the place, day and hour of the meeting and date of dividend payment is sent out to all shareholders at least twenty-eight (28) days before the meeting.• Company's Annual Report is a corporate report which includes information such as a Company's financial and operational result, risk, corporate governance, sustainability, strategy and objectives. In tandem with the demand from stakeholders for improved disclosures, there has been an increased focus on the way businesses are run, businesses impact the economy, environment and society.• Company's Website is a major platform for communication with the stakeholders. All information about the Company such as 'Corporate Profile', 'Core Activities', 'Investor Relations', 'Company's Achievement' and others information and event can be found in the website.

	<ul style="list-style-type: none"> • The Company encourages stakeholder to use email for ease communication today. It increases the speed of communication, saves time and reduces printing and distribution costs and its impact on the environment. • Not every stakeholder has an easy access on the IT facilities. Therefore, communication through mail also has been practised. Stakeholders may write to us should they have any questions and Management will reply them. E.g., Minority Shareholders Watch Group. • Telephone and Facsimile. Stakeholders also can make a call or fax over if they have any question or queries to ask. • Stakeholders may request for printed Corporate Profile and Flyers so they know more information on the Company businesses and products. 	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Annual General Meeting (“AGM”) is a platform to allow shareholders dialogues and allows shareholders to pose questions for the Board of Directors, Senior Management team, External Auditors and Internal Auditors to response and clarification. Notice of AGM and Notice of Dividend Entitlement and Payment which specify the place, day and hour of the meeting and date of dividend payment is sent out to all shareholders at least twenty-eight (28) days before the meeting.</p> <p>The Company’s Forty-Eighth (48th) AGM for year ended 2023 was held on 21 May 2024. The physical meeting was conducted at Abell Hotel, No. 22, 4th Floor, Jalan Tunku Abdul Rahman, 93100 Kuching, Sarawak. Notice of the said AGM was issued to all members and published in “The Star” newspaper on 18 April 2024, in accordance with Company’s Constitution.</p> <p>The said notice had been issued to all members within the prescribed period by electronic means via KKB’s website. Members would have received the written notification containing the link of https://kkbeb.listedcompany.com/agm.html to access the Annual Report 2023, Circular to Shareholders, Notice of AGM and Proxy Form. Besides, there were 70.75% of shareholders being notified through email and the remaining 29.25% shareholders are being notified by normal mail.</p> <p>During the AGM, members were allowed to inspect all minutes of AGM, Statutory Register Book and Company’s Constitution. There was a Questions and Answers session where the shareholders and the proxies can exercise their rights to speak or communicate on questions in relation to the agenda of the AGM. The questions were then be answered by the Chairman, Directors, Auditors, Group Chief Financial Officer or Company Secretary.</p> <p>The Minority Shareholders Watch Group (“MSWG”), one of KKB’s shareholder had raised some points and queries relating to the strategy, financial and corporate governance matters of the Company. A written reply had been forwarded to MSWG on 17 May 2024, a copy of which was given to all the members upon registration.</p>

	Pursuant to the Paragraph 8.29A(1) of Bursa Securities Listing Requirements, “a listed issuer must ensure that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll”. In this connection, Tengis Corporate Services Sdn. Bhd. was appointed as the Poll Administrator to conduct the polling procedure while Commercial Quest Sdn. Bhd. was appointed as the Independent Scrutineer to validate the votes cast 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 Directors attended the Company’s 48 th AGM except for Mdm. Norliza binti Mohamad Nawi because she was appointed as Independent Director on 1 September 2024 after the 48 th AGM. The Chair of the Board Committees and Group Chief Financial Officer were also present to provide meaningful response to questions addressed to them (if any).	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate—

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

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Company’s 48th AGM for year ended 2023 was held on 21 May 2024. The physical meeting is conducted at Abell Hotel, No. 22, 4th Floor, Jalan Tunku Abdul Rahman, 93100 Kuching, Sarawak. Notice of the said AGM was issued to all members and published in “The Star” newspaper on 18 April 2024, in accordance with Company’s Constitution.</p> <p>Physical meeting or in-person meetings is preferred as it helps alleviate shareholder concerns about transparency. Some shareholders have the perception that physical AGMs allow for more transparent and robust discussions on Company performance.</p> <p>Physical meeting also offers the unique advantage of real, physical presence. Participants can shake hands, make eye contact, and interpret body language, which enhances the quality of communication. These personal touches foster connections that transcend the limitations of digital communication. It encourages more personal relation and easier engagement and interaction.</p>	
	<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.4

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	:	<p>The Chairman of the Board ensures that the AGM is interactive and shareholders are provided with sufficient opportunity to pose questions and the questions are responded accordingly.</p> <p>During the AGM, members are allowed to inspect all minutes of AGM, Statutory Register Book and Company's Constitution. There is the Questions and Answers session where shareholders and proxies can exercise their rights to speak or communicate. All questions in relation to the agenda items of the AGM. The questions were then answered by either the Chairman, Directors, Auditors, Group Chief Financial Officer or Company Secretary.</p> <p>The Minority Shareholders Watch Group ("MSWG"), one of KKB's shareholder had raised some points and queries relating to the strategy, financial and corporate governance matters of the Company. A written reply had been forwarded to MSWG on 17 May 2024, a copy of which was given to all the members upon registration.</p> <p>Pursuant to Paragraph 8.29A(1) of Bursa Securities Listing Requirements, "a listed issuer must ensure that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll". In this connection, Tengis Corporate Services Sdn. Bhd. was appointed as the Poll Administrator to conduct the polling procedure while Commercial Quest Sdn. Bhd. was appointed as the Independent Scrutineer to validate the votes cast at the AGM.</p> <p>At the AGM, Tengis Corporate Services Sdn. Bhd. briefed attendees on the Company's voting procedures before the meeting started. Polling procedures are as follows:</p> <ol style="list-style-type: none">1) Poll Administrator distributed the Polling Slips to all members, proxies and corporate representatives during registration.

	<p>2) Members to indicate their vote on the resolution concerned as they deem fit.</p> <p>3) Poll Administrator filled up the Polling Slips according to the voting instructions as stated in the proxy form for proxies. If there were no voting instructions given in the proxy form, proxies would have to vote as proxies deem fit or proxies may abstain from voting on any one (1) of the resolutions.</p> <p>4) Members who are also a proxy or corporate representative need to complete the Polling Slip separately.</p> <p>5) Members to indicate their vote with a "X" in the column provided for votes "for" and "against" in respect of resolutions and sign the Polling Slip. Members are not allowed to mark on both columns. If they choose to abstain from voting on any one (1) of the resolutions, they would have to leave the "for" and "against" boxes blank in respect of that particular resolution.</p> <p>6) Having initiated their votes, the members have to sign off the Polling Slip, fold it into 4 and deposit it into the balloting box. Votes will be treated as spoilt when:</p> <ul style="list-style-type: none"> (i) the Polling Slip is not signed by the members or proxies or corporate representative; or (ii) voting is not clearly indicated. For example, when both columns provided for votes "for" and "against" in respect of a particular resolution have been marked; or (iii) the Polling Slip that has alteration on it but has not been initialled by the members, proxies or corporate representatives; or (iv) the Polling Slip is torn, defaced, smudged or crushed. <p>7) Poll Administrator will be handling the polling process and Scrutineers will be overseeing the conduct of the poll and scrutinizing the votes cast.</p> <p>8) After all the completed Polling Slip have been casted into the balloting box, the balloting box would be taken to the counting room for purposes of counting and scrutinizing, the Scrutineers shall read out the results of the poll and hand the results slip to the Chairman.</p> <p>9) After that, the Chairman will declare whether the resolutions are carried or not carried.</p> <p>Based on the polling results confirmed by the Scrutineers, all resolutions as set out in the notice of the 48th AGM dated 18 April 2024 were duly accepted and carried. The key matters and minutes of the 48th AGM have been announced on Bursa website and published on the Company's website for shareholders access, viewing, examination and reference.</p>
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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.

provide any reasons online entered by 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	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
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	:	<p>The Company's Forty-Eighth (48th) AGM for year end 2023 was held on 21 May 2024. The physical meeting is conducted at Abell Hotel, No. 22, 4th Floor, Jalan Tunku Abdul Rahman, 93100 Kuching, Sarawak. Notice of the said AGM was issued to all members and published in "The Star" newspaper on 18 April 2024, in accordance with Company's Constitution.</p> <p>Based on the polling results confirmed by the scrutineers, all resolutions as set out in the notice of the 48th AGM dated 18 April 2024 were duly accepted and carried.</p> <p>The minutes of the 48th AGM and key matters is announced on Bursa's website and its was published in the Company's website no later than 30 business days after the general meeting for shareholders accessible.</p>
Explanation for departure	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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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