

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5371
COMPANY NAME : KIM HIN INDUSTRY BERHAD
FINANCIAL YEAR : December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	: Applied
Explanation on application of the practice	<p>The Board of Directors (“the Board”) of Kim Hin Industry Berhad (“Kim Hin” or “the Company”) is primarily responsible to ensure sustainable long-term performance, creating long-term economic value and growth for the Group as well as maximise returns for stakeholders.</p> <p>In view of the continued challenging operating environment amid the impact of the Coronavirus Disease 2019 (“COVID-19”) pandemic, it brings to the fore the importance of a resilient Board leadership where focus is placed on facilitating recovery and adaptation of the current impact of the COVID-19 pandemic to the business.</p> <p>The Board’s oversight role will focus on continuing to build a resilient organisation while laying the foundation for Kim Hin Group’s future success. The Board has responsibility to drive long-term value across a broader group of stakeholders, consumers, society and shareholders, instilling a culture of continuous change and developing talent to drive organisational transformation in a post-COVID-19 world.</p> <p>The Board has put in place a robust Corporate Governance Framework where specific powers of the Board are delegated to the relevant Board Committees.</p> <p>In order to ensure the effective discharge of its functions and responsibilities, the Board is guided by its Board Charter which outline its duties and responsibilities. The Board Charter is available at the Company’s Corporate website, www.kimhin.com.my.</p>
Explanation for departure	:

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Mr. Chua Seng Huat is the Executive Chairman of the Company. The Executive Chairman is primarily responsible for the orderly conduct and working of the Board.</p> <p>Key responsibilities of the Executive Chairman include the following:-</p> <ul style="list-style-type: none"> • providing leadership for the board so that the board can perform its responsibilities effectively; • setting the board agenda and ensuring that board members receive complete and accurate information in a timely manner; • leading board meetings and discussions; • encouraging active participation and allowing dissenting views to be freely expressed; • managing interface between board and management; • ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the board as a whole; and • leading the board in establishing and monitoring good corporate governance practices in the company. 	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>There is a clear division of responsibilities between the Executive Chairman and the Group Managing Director to ensure that there is balance of power and authority and no one individual has unfettered powers of decision. The Executive Chairman is primarily responsible for the orderly conduct and working of the Board whilst the Group Managing Director is responsible for the overall operations of the Group and the implementation of the Board's strategies and policies.</p> <p>The respective duties and responsibilities of the Executive Chairman and the Group Managing Director are contained in the Board Charter which is available on the Company's Corporate website at www.kimhin.com.my</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 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	The Chairman of the Board is not a member of the Audit Committee, Nomination Committee and 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 of Kim Hin Industry Berhad is Mdm. Yeo Puay Huang. She holds a Company Secretary License together with SSM Practicing Certificate and is qualified to act as a Company Secretary under Section 235 of the Companies Act 2016. She has more than 44 years of professional experience in corporate secretarial practices.</p> <p>The Company Secretary plays an advisory role in supporting the Board to uphold high standards of corporate governance. As a counsel to the Board, she provides the Board with periodic updates and compliance requirements from the Main Market Listing Requirements, Companies Act 2016 and other regulatory requirements.</p> <p>The Company Secretary also ensures that there is good information flow within the Board, Board Committees and senior management.</p> <p>She also serves as a focal point for stakeholders' communication and engagement on corporate governance issues.</p> <p>In order to upskill herself and keep abreast with the latest development in corporate governance matters, the Company Secretary attended relevant training and professional development programmes during the financial year with regards to Companies Act 2016, Main Market Listing Requirements and Malaysian Code on Corporate Governance 2021.</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	:	<p>The Board recognises the importance of sound and timely information flow to facilitate robust board discussions. The Chairman, together with the Company Secretary and the management, are responsible for ensuring the Directors are provided with sufficient and timely information to prepare for board meetings.</p> <p>The meeting materials or board papers are circulated to the Board five days prior to each meeting.</p> <p>The deliberations and decisions of the board are duly recorded in the Board's minutes. The draft minutes are circulated to the Executive Chairman for his review within a reasonable timeframe after the meeting. The minutes of meetings also capture the deliberations and decisions, rationale for decisions made, fundamental questions raised and key points of discussions, and any dissent views and abstentions made by the directors.</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 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 is guided by its Board charter which sets out the Board's strategic intent, roles and responsibilities of the Directors, Board membership guidelines, leadership development, Board and member evaluations, Directors' remuneration, meeting procedures and Code of Conduct for Directors.</p> <p>The Board Charter shall be periodically reviewed and updated at such interval the Board deems necessary taking into consideration the needs of the Company and changes in the regulatory requirements that may affect the Directors' duties and responsibilities.</p> <p>The Board Charter is available at the Company's Corporate website, www.kimhin.com.my</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The code of Conduct and Ethics outlines the principles, policies and rules that govern the activities of the Group, and the employees are subject to a set of values and standards of conduct that is expected of them.</p> <p>The Code of Conduct and Ethics shall shape the corporate culture and driving conduct within the Company. It serves as both an internal guideline and external statement of corporate values and commitment. It could also act as central point of reference for employees to support their day-to-day decision-making.</p> <p>The code of Conduct and Ethics cover the following areas:</p> <ul style="list-style-type: none">• Working with customers and suppliers• Working with the government• Workplace responsibilities• Protecting the Company's interests and assets• Employee conduct <p>The Board reviews and update the Code of Conduct and Ethics periodically or as and when the need arises to ensure it is kept contemporaneous.</p> <p>The Code of Conduct and Ethics is published on the Company's Corporate website at www.kimhin.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has in place the Whistle Blowing Policy in 2014 with the objective of promoting and maintaining high standard of transparency, accountability and ethics as well as good corporate governance practices in the workplace.</p> <p>The Whistle Blowing Policy serves as the internal complaint framework for employees or other stakeholders to raise concerns about illegal or unethical activity that they are aware of through their work, without fear of reprisals or retaliations.</p> <p>The Whistle Blowing Policy is available on the Company's Corporate Website at www.kimhin.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Board recognised the important of the implementation of the sustainability governance within the group especially during the recent pandemic global crisis. The Company's sustainability is always the priority matter to be considered by the Board when exercising their duties on the development of strategies and business plan. The Board and the Senior Management focus on the company sustainability when exercising the risk assessment plans.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	The internal and external stakeholders are informed on the Company's sustainability strategies and activities through the sustainability Statement in the Annual Report 2021 which is available on Bursa Securities Malaysia Berhad and Kim Hin Hin's Corporate Website at www.kimhin.com.my .	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	The Company has taken risk assessment management in order to deliver strong and consistent performances and adopt the good standard of corporate governance and business ethics in the business dealing to ensure the sustainability of the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	The Performance Evaluations of the Board and Senior Management has been assessed and review by the NRC on 26 November 2021.	
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	:	The Nomination Committee reviewed the evaluation of the composition of the board and the directors' performance and contribution to the board annually.	
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 Board comprises of eight (8) members, three (3) of whom are independent Non-Executive Directors as follows:</p> <ul style="list-style-type: none">• Mr. Fong Tshu Kwong• Mr. Ong Ah Ba• Mr. Yong Lin Lin <p>The appointment of Mr. Fong as the Senior Independent Non-Executive Director, provides an additional channel for the Independent Directors to voice any opinions or concerns that they believe have not been properly considered or addressed by the Board.</p> <p>The Independent Non-Executive Directors met with the external auditors on 26 November 2021 without the presence of the Executive Directors, the management and the Internal Auditors. This provides opportunity for the Independent Non-Executive Directors to candidly share concerns about the company and exchange views on potential improvements in governance.</p> <p>The Main Market Listing Requirement requires that at least 2 directors or 1/3 of the board of directors of the Company, whichever is the higher, are independent directors.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 5.3

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 will seek shareholders' approval in the event that a Director, who has served in that capacity for more than nine (9) years, retains as independent Director. For a Director retained as an Independent director after the twelfth (12th) year, the Board shall seek shareholders' approval annually through a two-tier voting process as provided under the Malaysian Code on Corporate Governance 2021.</p> <p>The Nomination Committee ("NC") had reviewed and recommended to the Board for Mr. Fong Tshu Kwong, who had served the Company for the tenure of more than twelfth (12) years to continue to serve as an Independent Non-Executive of the Company, subject to annual shareholders' approval through a two-tier voting process as stipulated in the Malaysian Code on Corporate Governance 2021.</p> <p>The NC had also reviewed and recommended to the Board for Mr. Ong Ah Ba, who had served the Company for the tenure of more than nine (9) years to continue to serve as an independent Non-Executive Director of the Company, subject to annual shareholders' approval.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied	
Explanation on application of the practice	:	Appointment of Board and senior management are based on objective criteria, merit and besides diversity in skills, experience, age, cultural background and gender. The Group is also committed to providing an inclusive workplace the embraces and promotes diversity.	
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	:	The Nomination Committee is responsible for recommending suitable candidates for Directorship to the Board. In searching for suitable candidate, the Nomination Committee may receive suggestions from existing Board Members, management, and major shareholders. The Committee is also open to referrals from external sources available, such as industry and professional associations, as well as independent search firms.
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	:	The Board will make immediate announcement pertaining to the appointment of new director which will include gender, age, details of any interest, position or any relationship with the director(s) and/or major shareholder of the company.	
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 Chairman of the Nomination Committee is the Senior Independent Director.</p> <p>Given that the Senior Independent Director serves as a confidant to the other directors, he is well-placed to oversee the assessment of the Board's Chairman, taking into account a broad range of perspectives.</p> <p>Besides, the Senior Independent Director also acts as a sounding board to the Chairman (for example offer counsel to the Chairman on matters such as board dynamics and concerns of stakeholders) and serves as intermediary for other directors when necessary.</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	:	The Board comprises six male directors and two female directors (equivalent to 25%).	
	:	The Board noted Bursa Malaysia had issued a letter to all Main Market Listed Issuers on 19 January 2022 pertaining to the amendments to the Main Market Listing Requirements in relation to Director Appointment, Independence and Miscellaneous Changes. One of the amendments stated therein was mandating a listed issuer to have at least 1 women director on its board.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company's policy on gender diversity for board and senior management were disclosed in the Annual Report.</p> <p>The Board has formalised the Boardroom and Workforce Diversity Policy on 15 April 2015.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: The annual evaluations of Nomination Committee (“NC”) for the year 2021 are as follows: 1) Board evaluation on the Mission and Strategic Direction, Governing Documents, Leadership, succession and Transparency, Budgeting, Finance and Infrastructure. 2) Evaluation of Board and Board Committees on: -Board mix and composition; -Quality of information and decision making; -Boardroom activities; -Performance evaluation of Board Committee; and -Board Skills evaluation. 3) Skills evaluation of individual Director. 4) Evaluation of Group Managing Director and Chief Financial Officer on their contributions and performance as well as their calibre and personality. 5) Evaluation of Audit Committee (“AC”) on Quality and Composition, Skills and Competencies, Meeting Administration and Conduct. The assessment process of evaluation on the Board, Board Committees, Individual Director and Senior Management is stated as follows: The Evaluation Forms of the Board, Individual Director, Group Managing Director and Chief Financial Officer are sent to all members of NC for their evaluation. Completed Self-Evaluation Forms of Directors and AC are sent to NC for their perusal.

	<p>Members of NC reviewed all the Evaluation Forms and thereafter returned to the Company Secretary.</p> <p>The NC will discuss at the NC meeting and make recommendations to the Board at the Board of Directors' Meeting.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.1

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board had approved the Directors' Compensation Policy on 25 February 2016 with the latest revision made on 26 February 2020. However, the Board has yet to formalise remuneration policies and procedures for the senior management.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has established the Remuneration Committee. As at 31 March 2022, the Remuneration Committee comprises of all independent non-executive directors. The Remuneration Committee responsibilities include to establish compensation strategy, compensation policies and programs, and management development plans. The Terms of Reference of the Remuneration Committee is available at the Company's Corporate website at www.kimhin.com.my .	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments were disclosed on named basis in the Annual Report annually.

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	CHUA SENG HUAT	Executive Director	33000	0.00	425000	510000	4119	184167	1156286	0.00	25758	749546	0.00	72055	113561	960920
2	DATO' JOHN CHUA SENG CHAI	Executive Director	33000	0.00	1020000	510000	82485	297563	1943048	0.00	25758	133950	0.00	5523	2112	167343
3	CHUA SENG GUAN	Executive Director	33000	0.00	0.00	0.00	0.00	6270	39270	0.00	25758	1174546	510000	11968	291293	2013565
4	PAULINE GETRUDE CHUA HUI LIN	Executive Director	33000	0.00	384000	96000	2162	98394	613556	0.00	0.00	0.00	0.00	15725	0.00	15725
5	CHUA YEW LIN	Executive Director	33000	0.00	384000	96000	3837	98393	615230	0.00	0.00	0.00	0.00	14525	0.00	14525
6	FONG TSHU KWONG	Independent Director	40000	0.00	0.00	0.00	0.00	0.00	40000	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	ONG AH BA	Independent Director	33000	0.00	0.00	0.00	0.00	0.00	33000	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	YONG LIN LIN	Independent Director	33000	0.00	0.00	0.00	0.00	0.00	33000	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board is of the opinion that the disclosure on a name basis 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 7.2 of the MCCG but nevertheless will consider the application of Practice 7.2 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>
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.

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

Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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

Intended Outcome

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

Practice 8.3 - Step Up

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

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	:	<p>The Chairman of the Audit Committee is Mr. Fong Tshu Kwong, the Senior Independent Non-Executive Director. The Chairman of the Board is Mr. Chua Seng Huat.</p> <p>Having the position, the Board Chairman and Chairman of the Audit Committee assumed by different individuals allows the Board to objectively review the Audit Committee's findings and recommendations.</p> <p>In addition, the separation of these two positions ensure that the Chairman of the Audit Committee to devote sufficient time to the affairs of the Committee.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Currently, none of the Audit Committee members were former key audit partner of the external audit firm of the Company.</p> <p>In an effort to preserve the integrity and credibility of the audit process, the Audit Committee has incorporated a policy in its Terms of References which requires a former key audit partner to observe a cooling-off period of at least three years before appointment as a member of the Audit committee.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee had one (1) independent meeting with the External Auditors in November 2021, without the presence of the Executive directors, the Management and Internal Auditors. The Audit Committee enquired about the management's cooperation with the External Auditors, their sharing of information and the proficiency and adequacy of resources in financial reporting functions.</p> <p>The audit Committee is responsible for assessing the suitability, objectivity and independence of the external auditor and to make recommendations to the Board on the appointment, re-appointment or termination of the external auditor.</p> <p>On 24 February 2022, the audit committee undertook an annual evaluation of the quality of audit which encompassed the following areas:</p> <ul style="list-style-type: none">i) The quality of services and sufficiency of resources provided by the External Auditors;ii) The quality of communication with the Audit Committee;iii) The auditors' independence, objectivity and professional scepticism of the External Auditors. <p>The Audit Committee received written confirmation from the External Auditors regarding their independence to the Group.</p> <p>The Audit Committee also obtained input from the Company's personnel who has substantial contact with the External Auditors, in relation to the external auditors' performance. The Company's personnel were given a set of questionnaire to assess the quality of services provided, the independence and professional scepticism demonstrated by the External Auditors' team and the firm.</p> <p>The Audit Committee was satisfied with suitability of the External Auditors based on the quality of services, technical competency and sufficiency of resources they provided to the Group.</p>

	The Board at its meeting held on 24 February 2022 noted the Audit Committee's recommendation to re-appoint Ernst & Young PLT as the External Auditors of the Group for the financial year ending 31 December 2022, subject to the shareholders' approval at the forthcoming annual general meeting.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The members of the Audit Committee of the Company are all Independent Directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The members of the Audit committee have undertaken continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and regulatory requirements.</p> <p>During the year, the Audit Committee were briefed by the external auditor and the company Secretary respectively on the following key areas:</p> <ul style="list-style-type: none">• Financial Reporting developments;• Adoption of Malaysian Financial Reporting Standards;• Malaysian Code on Corporate Governance 2021; and• Other changes in regulatory environment.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges its overall responsibility and the importance of sound risk management and internal control, and for reviewing the adequacy and integrity of those system. The system of risk management and internal control is designed to manage Group's risks within an acceptable risk profile, rather than to eliminate the risk of failure to achieve business objectives of the Group. It can therefore only provide reasonable and not absolute assurance of effectiveness against material misstatement of management and financial information or against financial loss and fraud.</p> <p>The Group has on-going process for identifying, evaluating and managing the significant risks faced by the Group and this process includes updating the system of risk management and internal control when there are changes to the business environment or regulatory guidelines. The process is regularly reviewed by the Board and accords with the Main Market Listing Requirements of Bursa Securities Malaysia Berhad and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by the Taskforce on Internal Control ("SRMICG").</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 Corporate Risk Scorecard system helped management in methodically identifying and assessing any emerging new risks, updating the business risks profiles that were previously identified, and following up with the implementation of the control plans. During the financial year under review, the Group has reaffirmed its criteria used in defining the level of significance as well as impact of risks affecting the business.</p> <p>The Group identified Revenue, Inventory, Trade Receivables, production and Foreign Exchange as its major risks and these major risks are monitored as Key Risk Indicators on a monthly basis. Controls were also identified and evaluated to mitigate the risks with risk owners assigned to manage these risks.</p> <p>In addition, the Group has other key control processes in place for its control environment to further enhance its evaluation and managing processes for risk management and internal control:</p> <ul style="list-style-type: none">• A formalised Board Charter and Code of Conducts for Directors;• Establishment of Employee's Handbook and code of Ethic;• Well structure organisation chart with defined lines of responsibilities and duties as specified in the job terms of reference;• Existence of Standard Operating Procedures under the governance of ISO 9001: 2015 Quality Management System for the Group's manufacturing operations in Malaysia (Kuching and Seremban) and People Republic of China (Shanghai);• Scheduled meeting of Management Review Meetings and Management Meetings; and• Continuous monthly monitoring of the Group's Corporate Key Performance Indicators ("KPI"), financial policy and use of Enterprise Resource Planning (ERP) by the Group's operations in Malaysia. <p>The Group's Kuching plant has successfully been re-certified under ISO 9001:2015 Quality Management System. The latest version of ISO 9001 has adopted a risk based approach which adds further assurance to the Group's risk management for its operations. Existence of Standard</p>

	Operating Procedures under the governance of compulsory product certification by China quality Certification Centre for the Group's manufacturing operations in People Republic of China (Shanghai).	
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 Audit committee is responsible for reviewing the adequacy of the scope, competency and resources of the internal audit function and ensure that it has the necessary authority to carry out its work.</p> <p>The Audit Committee also reviews and approve the Annual Internal Audit Plan and ensure that the findings and recommendations of action plans from the internal auditors are implemented by the management.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function of the Group is outsourced to Core Business Success Sdn. Bhd.</p> <p>Mr. Wee Hun Been and Ms. Chua Pek Geok are the lead auditors assigned by the outsourced of internal audit services provider to the Group.</p> <p>Mr. Wee is a member of Malaysian Institute of Accountants. He also holds a qualification under Chartered Institute of Management Accountants (focused on Internal Audit, Treasury Management and Manufacturing Accounting). He has extensive experience in audit, secretarial and tax advisory services.</p> <p>Ms. Chua Pek Geok is a member of Malaysian Institute of Accountants and qualified as an Accountant under Chartered Institute of Management Accountants (focused on Internal Audit, Treasury Management and Manufacturing Accounting).</p> <p>The internal audit services provider is staffed by four experienced internal audit team members and ten audit assistants.</p> <p>The Internal Auditors adopted the COSO (Committee of Sponsoring Organisation) Framework in carrying out their audit work.</p> <p>The Internal Auditors confirmed that they are free from any relationships or conflicts of interest, which could impair their objectivity and independence in the course of carrying out their function.</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

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>Stakeholders of the Company which include the shareholders, customers, employees, suppliers amongst others which can be benefitted or affected by the Company's actions in the pursuit of its primary objectives.</p> <p>The stakeholders expect the Company to have timely and accurate dissemination of information and demand greater transparency on their disclosures for them to form an informed view on the Company.</p> <p>Therefore, the Board endeavours to ensure that communication with stakeholders is conducted in a timely and effective manner.</p> <p>The Company utilises the Annual Reports, announcements to Bursa Malaysia Securities Berhad, Annual General Meetings, and the Company's Corporate website to disseminate information to stakeholders.</p> <p>Through the Company's Corporate website at www.kimhin.com.my stakeholders are able to access information on the Group's background, products etc and its also acts as an avenue for them to raise any query by email or phone. Primary contact details are also set out in the 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

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	:	From the 45 th Annual General Meeting onwards, the Company adopts this practice 12.1 by which the Notice Annual General Meeting (“AGM”) together with Annual Report and Circular to Shareholders are announced to Bursa Malaysia Securities Berhad at least 28 days before the AGM. The application of this practice shall ensure sufficient time for the shareholders to consider the resolutions that will be discussed and decided at the AGM. In addition, the Notice of the AGM is advertised in the nationally circulated newspapers in English language.	
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	:	<p>The Directors have always committed to attend the AGM. All Directors attended the Company's AGM held in 2021.</p> <p>The Chairman of the respective Board Committees were present to facilitate discussions and address any questions which may be raised by the shareholders pertaining to matters fall under the purview of the Committees.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Annual General Meeting of the Company has been held within the city of Kuching and not in remote location.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: At the commencement of the 48 th Annual General Meeting ("48 AGM") on 15 September 2021, the Executive Chairman, Mr. Chua Seng Huat briefed the members, corporate representatives and proxies present at the meeting of their right to ask questions and vote on the resolutions set out in the Notice of the 48 th AGM dated 17 August 2021.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Not applicable – only physical general meetings were conducted in the financial year
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 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of the 48 th AGM held on 15 September 2021 was uploaded on the Company's Corporate Website at www.kimhin.com.my within 30 business days from the date of the 48 th AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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