

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 7528  
**COMPANY NAME** : DKLS Industries Berhad  
**FINANCIAL YEAR** : December 31, 2023

### **OUTLINE:**

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

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

#### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for the oversight and overall management of the Company. The Board takes full responsibility in leading, governing, guiding and monitoring the entire performance of the Group and enforces standards of accountability including the process for financial reporting, risk management and compliance. In order to ensure the effective discharge of its duties and responsibilities, it has delegated specific powers to the Managing Director and relevant Board Committees. The Board has delegated certain responsibilities to the Board Committees which operate within defined terms of reference. The Board Committees include the Audit Committee, the Nomination and Remuneration Committee and the Investment Committee. The respective Committees report to the Board on the matters considered and their recommendations thereon. The ultimate responsibility for the final decision on all matters, however, lies with the Board.</p> <p>The Board assumes, amongst others, the following duties and responsibilities:</p> <ul style="list-style-type: none"><li>• Perform an active role in developing overall strategic direction and planning of the Group, including economic, environmental and social considerations underpinning sustainability. In terms of financial performance, the Board reviews and approves the Annual Budget, including Revised Budget, if any, of the Group for each year. The financial performance is then monitored, through quarterly review, the variances between actual results and approved Budget, to determine whether the management would remain on-course to achieve the Group's targets by the end of the year.</li></ul> <p>In overseeing the Group's financial reporting, the Board via the Audit Committee reviews on quarterly basis, the unaudited consolidated financial results together with the unaudited interim financial report, prepared in compliance with the Malaysian Financial Reporting Standards ("MFRS") and paragraph 9.22 of Bursa Malaysia Securities</p>

	<p>Berhad's Main Market Listing Requirements ("Listing Requirements") for announcement.</p> <p>In order to safeguard the integrity of the financial statements and other financial information in the Annual Report, the Board via the Audit Committee assesses whether the annual financial statements are prepared in accordance with applicable approved accounting standards and other legal requirements through the review of Financial Reporting Questionnaire.</p> <ul style="list-style-type: none"> <li>• Oversee and evaluate the conduct and management of the Group's businesses, financial and non-financial performance of the Group. In order to perform this effectively, the Board delegates the management resources to the Managing Director and his senior management team where the directors have unrestricted access to any information pertaining to the Group. As such, the senior management key personnel are invited to attend all Board meetings and Audit Committee meetings to provide explanations and comments on the agenda items tabled at the Board meetings and Audit Committee meetings or to provide clarification on issues that may be raised by the directors and Audit Committee members.</li> <li>• Review adequacy and integrity of the Group's internal control system and management information system to ensure compliance with relevant laws, regulations, rules, directives, guidelines and business objectives of the Group; <ul style="list-style-type: none"> <li>• The Board through the Audit Committee endorses and approves the scope of work of internal audit to ensure effectiveness of internal control. The Audit Committee is responsible to review the Internal Audit Reports of the Group.</li> <li>• The Board reviews and approves the Internal Audit Reports of the Group upon the recommendation of the Audit Committee.</li> </ul> </li> <li>• Identify principal business risks faced by the Group and ensure the implementation of appropriate systems and mitigating measures for risk management;</li> </ul> <p>The Board is aware of the importance of establishing and maintaining a sound system of risk management framework and internal control in the Company and the Group to safeguard shareholders' interest and Group's assets. The Board continuously reviews and examines the effectiveness and efficiency of the risk management framework and internal control system on areas such as financial, operational and compliance, and seek alternative ways for improvement should any weakness be detected and identified.</p> <p>The Board reviews and approves the Statement on Risk Management and Internal Control for inclusion in the Company's Annual Report. The Board also reviews and approves the Risk Management Report which included the Risk Registers of the Company and seven (7) major subsidiaries.</p>
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	<ul style="list-style-type: none"> <li>Establish and oversee succession planning program for the board and senior management key personnel and ensures that all candidates appointed are of sufficient calibre and continues to perform.</li> </ul> <p>The Nomination and Remuneration Committee is established with the primary objective of assisting the Board in overseeing the selection and assessment of directors. The Committee is also responsible for developing and reviewing policies on the remuneration packages of directors and senior management to attract and retain talents.</p> <ul style="list-style-type: none"> <li>Oversee the development and implementation of a shareholder communication policy to ensure that timely releases of quarterly financial results, circulars, corporate announcements and annual reports are made to shareholders.</li> </ul>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Dato' Ding Pei Chai is the Chairman of the Board. He leads the Board meetings and discussions, provides leadership for the Board so that the Board can perform its responsibilities effectively and leads the Board in establishing and monitoring good corporate governance practices.</p> <p>The roles and responsibilities of the Chairman of the Board have been clearly specified in the Board Charter, which is available on the Company's website at <a href="https://dkls.com.my">https://dkls.com.my</a>.</p> <p>The responsibilities of the Chairman, amongst others, are as follows:</p> <ul style="list-style-type: none"><li>• Lead the Board in the oversight of the management and ensure its effectiveness of all aspects of its role;</li><li>• Ensure the efficient organisation and conduct of the Board's function and meetings;</li><li>• Facilitate the effective contribution of all directors at Board meetings;</li><li>• Promote constructive and respectful relations and communication between directors, and between the Board and Management; and</li><li>• Ensure effective communication with shareholders and relevant stakeholders.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The roles of the Chairman and the Managing Director are distinct and separate to ensure there is an appropriate balance of power and authority. In order to promote accountability and ensure proper checks and balances, there is clear division of responsibility between the non-executive Chairman and the Managing Director as provided in the Board Charter.</p> <p>The Board is chaired by Dato' Ding Pei Chai, a founder member and a non-executive director whose responsibility is to ensure good corporate governance practices, effectiveness and proper conduct of the Board, as well as effective communication between stakeholders and the Board.</p> <p>Dato' Ding Poi Bor is the Managing Director who is responsible for the day-to-day business operations of the Company, its subsidiaries and their respective operations supported by the senior management team, as well as ensuring organisational effectiveness and implementation of the Board's policies and decisions. The responsibilities of the Managing Director, amongst others, are as follows:</p> <ul style="list-style-type: none"><li>a. Develop and implement corporate strategies for DKLS Group;</li><li>b. Supervise heads of divisions and departments who are responsible for all functions contributing to the success of DKLS Group;</li><li>c. Ensure the efficiency and effectiveness of the operation for DKLS Group;</li><li>d. Assess business opportunities which are of potential benefit to DKLS Group; and</li><li>e. Bring material and other relevant matters to the attention of the Board in an accurate and timely manner.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Dato' Ding Pei Chai, the Chairman of the Board is not a member of the Audit Committee and Nomination and Remuneration Committee. He is not involved in any of these committees' meetings to ensure check and balance function as well as objective review by the Board on all matters recommended by the Audit Committee and Nomination and Remuneration Committee.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company Secretary, namely Mr Cheai Weng Hoong has the required qualifications to act as Company Secretary under Section 235(2) and 241 of the Companies Act 2016. He reports directly to the Board and plays an advisory role to the Board and Board Committees, particularly with regard to their policies and procedures and the Company's compliance with regulatory requirements, rules, guidelines and legislation, as well as the best practices of corporate governance.</p> <p>The Company Secretary is a reliable source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company. He provides support to the Board in ensuring that the applicable rules and regulations are complied with as well as that the governance structure of the Group remains relevant and effective.</p> <p>During the financial year 2023, the Company Secretary had attended all meetings of the Board and Board Committees and had ensured that meeting procedures are followed and deliberations and proceedings at the meetings are accurately recorded and documented.</p> <p>The 27<sup>th</sup> Annual General Meeting ("AGM") was successfully held on 29 May 2023 and was conducted physically. The Company Secretary played an important role in ensuring that the due processes and proceedings are in place and properly managed. During the meeting, the Company Secretary assisted the Chairman and the Board to conduct the meeting and ensure the minutes are properly recorded, particularly the questions raised by the shareholders. The Board is satisfied with the performance and support rendered by the Company Secretary to the Board.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

### Practice 1.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The annual meeting calendar is prepared and circulated in advance at the end of the previous financial year prior to the commencement of the new financial year in order to facilitate the Directors' time planning. The calendar provides Directors with scheduled dates for meetings of the Board and Board Committees (which are held separately), and the Annual General Meeting of the Company for the upcoming year. Board's and Board Committees' meetings materials are circulated at least one week in advance of the Board and Board Committees meetings to allow sufficient time for the directors to read and understand the contents, obtain further clarification if necessary, and enable focused and constructive deliberation at Board meetings.</p> <p>Draft minutes of previous meetings are circulated together with the agenda and Board's and Board Committees' meetings materials for each Board meeting whilst confirmation of minutes of previous meeting is set as the first agenda of each Board and Board Committees meetings, where applicable.</p> <p>In the intervals between Board meetings, any matters requiring the Board's decision will be approved through circular resolutions which are then noted and confirmed at the next Board meeting.</p> <p>The summary of Directors' dealing in the Company's shares are also tabled for notation and confirmation at the Board meeting.</p> <p>Senior Management may be requested to attend the Board meetings to present and provide additional information on matters being discussed and to respond to any queries that the Directors may have.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 2.1**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All Board members are expected to show good stewardship and act in a professional manner, as well as uphold the core values of the Group. The Board has the overall responsibility for corporate governance, strategic direction, formulation of policies and overseeing the investment and business of the Group.</p> <p>The Board Charter ("Charter") is established to reflect the current best practices and the applicable rules and regulations. The Board is guided by the Charter which provides reference for the directors in relation to their role, powers, duties and functions. The Charter outlines the processes and procedures for the Board and Board Committees to be effective and efficient. The Board shall review the Charter whenever necessary to ensure its relevance in assisting the Board in discharging its duties with the changes in the Listing Requirements and the corporate laws and regulations that may arise from time to time and to remain consistent and relevant with the Board's objectives and responsibilities.</p> <p>The Board Charter was last revised on 23 November 2021 to be in line with the Malaysian Code on Corporate Governance 2021 which can be found on the Company's website for reference at <a href="https://dkls.com.my">https://dkls.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is committed to creating a corporate culture within the Group to operate the businesses and affairs in an ethical and professional manner and to uphold the highest standards of integrity and exemplary corporate conduct.</p> <p>The Board has formalised a Code of Conduct ("Code") to assist the directors and all personnel of the Group in defining the ethical standards and conduct at work and beyond normal working hours which they should possess in discharging their duties and responsibilities at the highest standards of personal integrity and professionalism.</p> <p>The Code covers the following core areas of conduct:</p> <ul style="list-style-type: none"><li>• Compliance with laws and regulations</li><li>• No conflict of interests</li><li>• Maintenance of confidential information</li><li>• Safeguard insider information</li><li>• Protection of properties, assets, business records and control</li><li>• Business courtesies and gifts</li><li>• Health and safety</li><li>• Fair and courteous behaviour</li><li>• Misconduct</li></ul> <p>The Board has approved and adopted the Anti-Corruption Policy and Guidelines ("AC Guide") of the Group to ensure the practice of ethical business dealings and to strengthen measures in minimising the risk of corruption in the Group's activities.</p> <p>The Board will continuously assess its effectiveness and review the Anti-Corruption Policy and Guidelines as and when necessary, in any event, at least once every three (3) years. The Code and the AC Guide can be viewed on the Company's website at <a href="https://dkls.com.my">https://dkls.com.my</a>.</p>

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

### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In line with the commitment to maintain the highest possible standards of ethical and legal conduct within the Group, and in order to enhance good governance and transparency, the Board has developed a Whistle Blowing Policy and Procedure with the aim to provide and facilitate a mechanism for any persons to report concerns related to any suspected and/or known misconduct, wrongdoing, corruption, fraud, and/or abuse of which they become aware, and to ensure that the reporting person can report allegation of such malpractice or misconduct in an appropriate manner and without fear of retaliation.</p> <p>Confidentiality and anonymity are offered to the reporting persons who report their concerns in good faith and in doing so, have to follow the appropriate channel of reporting accordingly. This will ensure that issues could be addressed to the appropriate person and proper course of actions could be taken.</p> <p>The policy and procedures also include the contact details of the Audit Committee's Chairman, being the senior independent director, should the reporting person be in doubt of the management's independence and objectivity on the concerns raised.</p> <p>All reports will be investigated promptly and dealt with fairly and equitably. Appropriate course of actions will be recommended by the investigating personnel or team to the Board and/or Audit Committee for their deliberation and decision in line with the Policy.</p> <p>The Board will continuously assess its effectiveness and review the Whistleblowing Policy and Procedures as and when necessary, in any event, at least once every three (3) years. The Whistleblowing Policy and Procedures can be viewed on the Company's website at <a href="https://dkls.com.my">https://dkls.com.my</a>.</p>
<b>Explanation for departure</b>	:	

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

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

**Intended Outcome**

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

**Practice 4.1**

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible to ensure that the Group's strategies promote sustainability, which includes Environmental, Social and Governance risks and opportunities. The Group Sustainability Committee ("GSC") is led by an Executive Director and is further supported by Heads of Business Divisions. The GSC is responsible to formulate, monitor and review sustainability targets, priorities, strategies, performance and present them to the Board whilst the Sustainability Working Group ("SWG") incorporates sustainability considerations into their business operations and processes. They also collate sustainability related information against measurable matrix for the purpose of progress and performance review. The SWG also obtains feedback from its internal and external stakeholders on material matters important to them to enable the GSC to review and identify material matters through its annual materiality assessment, which had been refined and categorised into three key priority areas i.e. Economic, Environment, Social and Governance approved by the Board to allow the Group to better focus on its sustainability priorities and ensure effective planning and implementation of business strategies in line with the Group's sustainability aspirations.</p> <p>The Group Sustainability Statement is available in the Annual Report 2023 which is available on Bursa Malaysia's website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

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

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

### Practice 4.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company is committed to being accountable and responsive to the expectations and interests of its stakeholders. Amongst the Company's key stakeholders are as below:-</p> <ul style="list-style-type: none"><li>a) Financiers/Shareholders</li><li>b) Local communities</li><li>c) External providers</li><li>d) Customers</li><li>e) Government and local authorities/regulators</li><li>f) Employees</li></ul> <p>To facilitate external stakeholders' understanding of the Company's sustainability strategies, priorities and targets as well as performance against these targets, the Company has placed various documents and information pertaining to the organisation as well as other corporate activities information on its website under 'Governance &amp; Responsibility – Sustainability' which is accessible to the public, as well as through the Sustainability Statement in its annual report.</p> <p>The Company strives to maintain an open and two-way communication with its employees to discuss, among others, the Company's sustainability performance and strategies through departmental briefing, internal employee portal, meetings and internal engagement activities.</p> <p>Details of our sustainability progress and practices are also provided under the Sustainability Statement in our Annual Report 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Group had identified a set of key performance indicators against the key sustainability targets set for better monitoring and tracking of its sustainability progress. The Board ensures that these sustainability targets and discussions are incorporated into its business planning and strategies, with the support of its key Senior Management and Group Sustainability Committee.</p> <p>The Board and Management of DKLS recognize climate change and the sixth mass extinction as some of humanity's greatest threats in the 21<sup>st</sup> century. Climate change and biodiversity related risks are given paramount consideration and included in the Company's risk management and internal control framework, which are continuously reviewed by the Board to ensure compliance.</p> <p>The Board members have also participated in professional development programmes and seminars to improve on their skills set and knowledge on sustainability, so as to better tackle and deliberate on sustainability matters during Board meetings in a more effective and efficient manner.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.4**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Nomination and Remuneration Committee had revised, and the Board has approved the Board and Board Committee Evaluation Form to include their performance in addressing the Company's material sustainability risks and opportunities from year 2021 onwards. The performance assessment conducted through the revised evaluation forms on an annual basis.</p> <p>For the key senior management, their annual performance evaluation forms have been revised where sustainability performance had also been included as one of the factors for considerations in their annual performance evaluations.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.5- Step Up

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

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

<b>Application</b>	:	Applied
<b>Explanation on adoption of the practice</b>	:	<p>The Group Sustainability Committee ("GSC") is led by an executive director and is further supported by Heads of business divisions and key senior management. The role of the designated director includes:</p> <ul style="list-style-type: none"><li>(a) Establishing and overseeing sustainability framework, policies and governance of the Group;</li><li>(b) Leading and chairing the GSC in exercising its roles and functions including identifying key sustainability targets and priorities and material matters, implementation of business strategies, policies and monitoring of performance in terms of sustainability; and</li><li>(c) Ensure effective communication between GSC and Board on sustainability related matters.</li></ul>

### Intended Outcome

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

### Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination and Remuneration Committee ("NRC") will conduct an assessment annually in respect of the Board, Board Committees and each individual Directors. The relevant assessment forms would be circulated to all/part of the Directors, as the case maybe, for completion and the NRC will discuss the findings and make necessary recommendations (such as re-election, re-appointment, any change of composition etc.) to the Board in relation thereto.</p> <p>The NRC, in carrying out the annual assessment, shall consider the performance of the Company, the Board as a whole and that of its individual Directors. The assessment is also measured against the fit and proper criteria as tabulated in the Directors' Fit and Proper Policy approved by the Board on 22 August 2022 when determining the Director's performance and contribution to the board.</p> <p>The NRC and Board will review each director's tenure and evaluate his/her performance and contribution to the Board, before recommending his/her re-election for shareholders' approval at the AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

**Practice 5.2**

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 has seven (7) members, comprising three (3) executive and four (4) non-executive directors during the financial year 2023. The non-executive directors include the Chairman of the Board who is non-independent. The remaining three (3) non-executive directors are independent as defined in the Listing Requirements.</p> <p>The Board currently comprises three (3) independent directors, representing 42.86% of the Board which had increased from the composition of 33.3% three years ago. The Company is in compliance with Paragraph 15.02 of the Listing Requirements which requires at least two (2) or one-third (1/3) of the Board, whichever is higher, to be independent directors. However, this is a departure from the recommendation under Practice 5.2 of The Malaysian Code on Corporate Governance (“MCCG”), which requires companies to have at least half of their Boards to comprise of independent directors. The Nomination and Remuneration Committee will continue to identify suitable candidates as independent director when there is a vacancy in the Board room.</p>	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board noted that Practice 5.3 of MCCG recommends that the tenure of an independent director should not exceed a cumulative term of nine (9) years. The Company does not have a formal term limit for independent directors as the Board holds the view that a director's independence cannot be determined solely with reference to his/her tenure of service but believes that continued contribution by the independent directors provides benefit for the Board and the Company as a whole. The calibre, qualification, experience and personal qualities, particularly of the independent directors' integrity and objectivity in discharging his responsibilities in the best interest of the Company predominantly determines the ability to serve effectively as independent directors.</p> <p>However, in assessing and justifying the objectivity, independence, calibration, integrity, expertise and knowledge for the re-appointment of any independent director whose term have exceeded nine (9) years, the Nomination and Remuneration Committee ("NRC") will also consider the criteria set out in the Directors' Fit and Proper Policy. Subject to the NRC's assessment, the Company will seek shareholders' approval through a two-tier voting process in the AGM in accordance with the MCCG, if it intends to retain any independent director beyond his or her 9 years tenure.</p> <p>The Directors' Fit and Proper Policy can be viewed on the Company's website at <a href="https://dkls.com.my">https://dkls.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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



### Intended Outcome

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

### Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination and Remuneration Committee (“NRC”) is responsible for proposing new nominees for appointment to the Board and recommends to the Board for approval on the appointment, re-appointment, re-election and annual assessment of directors.</p> <p>The Committee will consider and recommend to the Board the qualified candidates who are assessed in accordance with the criteria stated in the Director’s Fit and Proper Policy, including factors such as character and integrity, experience and competence, time and commitment. In doing so the Committee shall consider the ability of the candidate to attend Board and committee meetings regularly and devote sufficient time and effort to carry out their duties and responsibilities effectively and be committed to serve on the Board for an extended period of time. In the case of candidates for the position of independent directors, the Committee also evaluates the individual candidates’ ability to discharge such duties and responsibilities as expected from independent directors.</p> <p><b>Board and Individual Director Assessment</b></p> <p>The Committee conducts annual assessment of each individual director to ensure the effectiveness of the Board as a whole and recommends for the re-appointment and re-election of directors who are seeking for the re-appointment and re-election at the AGM. In determining the independence of individual directors, the Committee conducts assessment on the independent directors annually.</p> <p>In terms of Board composition, the Committee amongst others will also consider the criteria as tabulated in the Directors’ Fit and Proper Policy together with the guidelines in the Company’s Gender Diversity Policy. The Committee ensures that the Board and senior management comprises of a diversified workforce in terms of area of expertise, skills, knowledge, gender, age and ethnicity as well as other factors that may provide the Board with a broader range of viewpoints and perspectives. In determining whether to recommend a director for re-election or re-</p>

	<p>appointment, the Committee will further consider the director's past attendance at meetings and participation in and contributions to the activities of the Board.</p> <p>The Company's board members and senior management team comprise of experts in finance, sales, legal, engineering, construction and quarrying. Refer to Profile of Key Senior Management in Annual Report 2023.</p> <p>The Directors' Fit and Proper Policy and Gender Diversity Policy can be viewed on the Company's website at <a href="https://dkls.com.my">https://dkls.com.my</a>.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.6

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Nomination and Remuneration Committee ("NRC") is responsible for assessing, evaluating and recommending identified candidates to the Board to fill vacancies with the required skill and profession. The potential candidate may be proposed by existing directors, senior management staff, shareholders or independent third-party referrals.</p> <p>The NRC will strictly adhere to the adopted Policy on Nomination and Assessment Process of Board Members and Directors' Fit and Proper Policy in carrying out its responsibilities in relation to the process for nomination, selection and appointment of new Board member.</p> <p>For an independent director candidate, the NRC will carry out additional assessment on their independence based on the criteria prescribed in the Listing Requirements and its Practice Note 13 prior to recommending to the Board for appointment as an Independent Non-Executive Director.</p> <p>The Company had engaged an independent recruitment agency to source for candidates for the appointment of independent non-executive director of the Company.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Appointment or reappointment of directors are deliberated at the Nomination and Remuneration Committee meetings and upon its recommendation, approved by the Board. For Directors seeking for re-election, details of any interest or position which may influence their independent judgment are disclosed together with their qualifications and experience in the Company's Annual Report. The explanatory note to the notice of AGM contains a statement referring to the profile and information relating to the Directors seeking for re-election, including disclosures of any interest or position which may influence their independent judgment, as well as the Board's decision on whether to support the appointment or reappointment of directors and the reasons why.</p> <p>An announcement to the Bursa Securities will be made in the event of any changes in the composition of the board of directors such as the appointment of a new director with the necessary information as per Part A of Appendix 9A of the Listing Requirements.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The membership eligibility of the Nomination and Remuneration Committee is set out in its Terms of Reference, which is available on the Company’s website at <a href="https://dkls.com.my">https://dkls.com.my</a>.</p> <p>The Nomination and Remuneration Committee is chaired by Mr. Liew Chai Kar who is an Independent Director.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board, through the Nomination and Remuneration Committee will assess and appoint directors on an equal opportunity basis based on a number of factors such as availability and merits, and not solely on gender alone. Considering that its core business operations are mainly in male-dominated industries, the Company managed to maintain the percentage of women participation in the boardroom close to the 30%, which is at 28.6% as at the financial year end.	
		The Board will continue to work towards attracting and increasing women participation at the Board level up to 30% in the upcoming year.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.10**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors ("Board") of DKLS Industries Berhad ("Company") recognises the importance of gender diversity in designing its composition and total manpower on the Board and its Senior Management of the Company and its subsidiaries (collectively, the "Group"). To avoid any mismatch and ineffective appointment of Directors or Senior Management, the Company does not set any immediate specific target on the gender composition of its Board or employees, particularly when it is in a predominantly male industry. Nevertheless, the Board intends to promote gender diversity in workplace and to support women participation on the Board and Senior Management of the Group as to be in line with the MCCG which was issued in 2021.</p> <p>The Board has adopted a Gender Diversity Policy on 23 November 2021 which is available on the Company's website at <a href="https://dkls.com.my">https://dkls.com.my</a>.</p> <p>The Company will disclose in the Annual Report 2023, the proportion of woman participation at Board and Senior Management level and the Group's policy on gender diversity for the Board and Senior Management.</p> <p>Currently the Company has 30% i.e. 3 out of 10 key senior management positions (excluding executive directors) in the organisation which are held by women as at 31 December 2023. The Board will continue to support women participation at the Senior Management level via internal promotion or recruitment process.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Nomination and Remuneration Committee conducts annual assessment of the Board and each individual director to ensure the effectiveness of the Board as a whole and recommends for the re-appointment and re-election of directors who are seeking for the re-appointment and re-election at the AGM.</p> <p>The scope of the assessment comprised the following:</p> <p>(a) For the Board:</p> <ul style="list-style-type: none"><li>• Board structure and Committee mix and composition</li><li>• Quality of information and decision making</li><li>• Boardroom Activities</li><li>• Sustainability Governance Assessment</li><li>• Relationship with the Management</li></ul> <p>(b) For individual directors</p> <p>Based on the fit and proper criteria:-</p> <ul style="list-style-type: none"><li>• Character and Integrity</li><li>• Experience and Competence</li><li>• Time and Commitment</li></ul> <p>Based on the recent annual assessment, the Committee was satisfied that the Board structure was efficient and the Board composed of directors with appropriate mix of skills and experience to meet the Company's requirements and the independent directors have fulfilled the criteria for independence as defined in the Listing Requirements.</p> <p>The Committee also conducts annual overall performance review of the term of office of the Audit Committee members which covered the following aspects:</p> <ul style="list-style-type: none"><li>• Quality and composition</li><li>• Skills and competencies</li><li>• Meeting administration and conduct</li></ul>



	<p>Evaluation of the Audit Committee was based on self and peer evaluation basis as the members of the Nomination and Remuneration Committee were the same as that of the Audit Committee.</p> <p>Based on the annual assessment for the financial year 2023, the Committee was satisfied that the Audit Committee was competent and efficient in discharging and fulfilling their roles and responsibilities.</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted a Remuneration Policy for Directors and Senior Management which is available on the Company's website at <a href="https://dkls.com.my">https://dkls.com.my</a>. The Remuneration Policy provides a basis to ensure that the Directors and Senior Management are fairly rewarded for their individual contributions to the Company and that their remuneration commensurate with their level of responsibilities. On the annual non-contractual bonus for executive directors, a mechanism has been set up to support the delivery of short term operational, financial and strategic goals of the Group.</p> <p>All non-executive directors are paid a fixed base fee to compensate them for their services to the Board. The fees paid to non-executive directors are set to reflect the time commitment, responsibilities and experience and are not linked to the financial results of the Company or the Group as a whole, so as to not impair the independence of their judgment.</p> <p>The remuneration package for Senior Management will be reviewed by the NRC and recommended to the Board for approval at the point of their appointment. The evaluations of key and senior management personnel are carried out in accordance with the prevailing Human Resource policies of the Group by the Management or the directors.</p> <p>The Nomination and Remuneration Committee considers the principles recommended by the MCGG in determining the directors' and senior managements' remuneration whereby the executive directors' remuneration is designed to link rewards to the corporate performance whilst the remuneration of the non-executive directors is determined in accordance with their commitment, experience and level of responsibilities assumed.</p>

	<p>The Nomination and Remuneration Committee reviews and assesses annually the framework of directors' remuneration packages and its cost and to determine on behalf of the Board specific remuneration packages and conditions of employment for executive directors to ensure that the Company attracts and retains talents who are needed to run the Company successfully.</p> <p>The directors' remuneration shall be the ultimate responsibility of the Board as a whole after considering the recommendations of the Nomination and Remuneration Committee. Directors, whether executive or non-executive, shall not participate in decisions on their own remuneration packages.</p> <p>The details of the remuneration paid by the Group and the Company to each director who served during the financial year ended 31 December 2023 is disclosed in the Corporate Governance Overview Statement of the Annual Report 2023, which is available on the company's website.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Nomination and Remuneration Committee comprises wholly non-executive directors. A majority of the Committee must be Independent Director. The terms of reference of the Committee are available at the Company’s website <a href="https://dkls.com.my">https://dkls.com.my</a>.</p> <p>The Nomination and Remuneration Committee is responsible in recommending and reviewing the remuneration framework and remuneration policy for the directors and senior management.</p> <p>The Board is satisfied that the Nomination and Remuneration Committee has effectively and efficiently discharged its roles and responsibilities with respect to its nomination and remuneration functions. As such, there is no need to separate the nomination and remuneration functions into distinct nomination and remuneration committees.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### **Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In line with the best corporate governance practices, the disclosure of the Directors' remuneration on a named basis is provided in the Annual Report.</p> <p>The detailed disclosure of remuneration breakdown for all directors is in the Corporate Governance Overview Statement of the Annual Report 2023.</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' Ding Pei Chai	Non-Executive Non-Independent Director	78.75	0.90	-	-	-	-	79.65	78.75	0.90	-	-	-	-	79.65
2	Mr Chin Kok Tong	Independent Director	56.00	1.20	-	-	-	-	57.20	56.00	1.20	-	-	-	-	57.20
3	Mr Liew Chai Kar	Independent Director	34.00	1.20	-	-	-	-	35.20	34.00	1.20	-	-	-	-	35.20
4	Ms Ang Chan Moy	Independent Director	34.00	1.20	-	-	-	-	35.20	34.00	1.20	-	-	-	-	35.20
5	Dato' Ding Poi Bor	Executive Director	-	-	66.00	44.00	-	20.90	130.90	-	-	367.20	244.80	9.90	116.74	738.64
6	Ir Sam Tuck Wah	Executive Director	-	-	36.00	24.00	-	11.84	71.84	-	-	314.62	209.91	5.30	101.84	631.67
7	Ms Ding Zhe Xin	Executive Director	-	-	66.00	44.00	-	14.36	124.36	-	-	180.00	120.00	-	38.32	338.32
9	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	-	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 8.2

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>While the Company notes the need for corporate transparency in the remuneration of its key senior management executives (ie top five senior management’s remuneration in bands of RM50,000 on a named basis), the Company notes that the disclosure of such details may be detrimental to its business interests, given the competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Company’s business activities, where poaching has become a common practice. Hence, such disclosure of specific remuneration information may give rise to recruitment and talent retention issues. The Company further believes that the interest of the shareholders will not be prejudiced as a result of such non-disclosure of the remuneration of the key senior management personnel who are not directors.</p> <p>To provide some insight on the level of remuneration paid to the senior management team, the Company has taken steps to disclose the aggregate total remuneration paid to the top thirteen (13) key senior management personnel. The aggregate remuneration for these key senior management personnel for the financial year ended 31 December 2023 is approximately RM4.265 million.</p>	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	The Board will continue to evaluate the implications of the detailed disclosure of senior management’s remuneration and consider such disclosure in future.	
Timeframe	:	Others	To be reviewed annually.

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



**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Audit Committee comprises three (3) members, all of whom are Independent Non-Executive Directors.</p> <p>The Audit Committee is chaired by an Independent Director, Mr Chin Kok Tong, who is a member of Malaysian Institute of Certified Public Accountants (“MICPA”) and Malaysian Institute of Accountants (“MIA”). He is not the Chairman of the Board.</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 an effective and independent Audit Committee.

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

**Practice 9.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee ("AC") has adopted the External Auditors Policy ("EA Policy") and the EA Policy has included the requirement for a cooling off period of at least three (3) years before any former partner of the external audit firm and/or the affiliate firm (including those providing advisory services, tax consulting, etc.) could be appointed as Audit Committee member to safeguard the independence and objectivity of the External Auditors of the Company.</p> <p>The Terms of Reference of the AC has also been revised to incorporate these changes.</p> <p>To date, the Company has not appointed any former audit partner of its external audit firm to be a member of the AC.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.3**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee has adopted the External Auditors Policy ("EA Policy") which sets out the policies, criteria and procedures on appointment and re-appointment of external auditors, the annual assessment of suitability, objectivity, independence and overall performance of the external auditors.</p> <p>In determining the suitability, objectivity and independence of the external auditors, Messrs Ernst &amp; Young PLT ("EY"), the Audit Committee considered several factors which include quality of audit services and performance, adequacy of resources and independence of the firm. Based on the review, the Audit Committee is of the opinion that EY is, and is perceived to be, independent for the purpose of the Group's statutory financial audit. EY has declared its independence and compliance with the other ethical requirements of the By-Laws on Professional Ethics of Malaysian Institute of Accountants to the Group.</p> <p>In order to provide support for an assessment on independence, the Audit Committee has obtained written assurance from EY confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>In reviewing the nomination of EY for re-appointment as external auditors for the financial year 2023, the Audit Committee, is satisfied with EY's performance, technical competency and audit independence as well as fulfilment of the criteria listed in the EA Policy, has recommended to the Board the re-appointment of EY as external auditors for the financial year ended 31 December 2023. The Board has approved the Audit Committee's recommendation for shareholders' approval to be sought at the AGM dated 29 May 2023 in regard to the appointment of EY as external auditors of the Company for the financial year 2023. The role of the Audit Committee in relation to the assessment of the external auditors is stated on the summary of activities of the Audit Committee Report of the Annual Report 2023.</p>

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The Audit Committee ("AC") comprises three (3) members, all of whom are independent non-executive directors ("INED(s)") and is led by the Senior INED.</p> <p>The composition of the AC as at 31 December 2023 is as follows:</p> <p>Members Designation:</p> <ol style="list-style-type: none"><li>1. Mr. Chin Kok Tong (Senior INED/ Chairman)</li><li>2. Mr. Liew Chai Kar (INED/ Member)</li><li>3. Ms. Ang Chan Moy (INED/ Member)</li></ol>

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee is established with the primary objective of assisting the Board in fulfilling its responsibilities relating to accounting and reporting practices of the Company and its subsidiaries and to ensure an objective and professional relationship is maintained with the external auditors. The Committee has full access to the auditors both internally and externally who, in turn, have full access at all times to the Chairman of the Committee.</p> <p>The Audit Committee is chaired by Mr Chin Kok Tong, who is a member of Malaysian Institute of Certified Public Accountants ("MICPA") and Malaysian Institute of Accountants ("MIA") and is continuously attending seminars to keep abreast of latest development and changes in the rules and regulations. The other members, Mr. Liew Chai Kar and Ms. Ang Chan Moy have diversified exposure experience in various field of financial services and cost management. The Audit Committee members possess a wide range of necessary skills and experience from finances and management aspect to discharge its duties efficiently.</p> <p>The Committee meets at least four (4) times a year and the attendance of each member is reported in the Audit Committee Report of the Annual Report 2023. Representatives of the Company's external auditors and internal auditors of the Group are normally invited to attend the meetings, as and when required.</p> <p>The Board shall, on a continuous basis, evaluate and determine the training needs of its members to assist them in the discharge of their duties as directors. Disclosure of the training programmes attended by the directors is in the Corporate Governance Overview Statement of the Annual Report 2023.</p>



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

### Intended Outcome

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

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>A formal risk management framework has been established with the aim of outlining the Group's risk context which comprises the Group's strategies and policies, and operating system so as to better manage and mitigate the risks faced by the Group. The framework is also designed to provide assurance to the Board that a sound risk management and internal control system is in place.</p> <p>The risk management framework and internal control system, however, are designed to manage the Group's risks within an acceptable level, rather than eliminate the risk of failure to achieve the business objectives of the Group. It can therefore only provide reasonable and not absolute assurance against material misstatement of Management and financial information or against financial losses and fraud.</p> <p>Disclosure of the state of the Group's risk and internal controls during the year 2023 can be found in the Statement on Risk Management and Internal Controls of the Annual Report 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 10.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board has disclosed the key features of its risk management and internal control system as well as its adequacy and effectiveness in the Statement on Risk Management and Internal Control in the Annual Report 2023.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 10.3 – Step Up**

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

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

**Intended Outcome**

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

**Practice 11.1**

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

Application	:	Applied	
Explanation on application of the practice	:	The Company has outsourced the internal audit function to an independent professional services firm, KPMG Management & Risk Consulting Sdn. Bhd.	
		The Audit Committee meets with internal auditors periodically to discuss the scope of audit, observations and findings for each audit undertaken. The Audit Committee reviews and approves the Internal Audit Reports of the Group with the presence of the external auditors but without the presence of the management, and also will appraise the adequacy of actions and remedial measures taken by the management in resolving the audit issues reported and recommended by the internal auditors for improvement measures.	
Explanation for departure	:	The activities carried out by the internal auditors are disclosed in the Audit Committee Report in the Annual Report 2023.	
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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>By virtue of paragraph 15.27 of the Listing Requirements, the Company is required to establish an internal audit function that directly reports to the Audit Committee. This is an important source of advice for the Audit Committee by bringing an objective and disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance process. Therefore, it is important to ensure that internal audit personnel are free from any relationship or conflicts of interest, which could impair their objectivity and independence.</p> <p>The internal audit engagement by KPMG Management &amp; Risk Consulting Sdn Bhd (“KPMG MRC”) is led by an Executive Director, namely En. Mohd Khaidzir Shahari, who is a professional member of the ACMA, MIA, CGMA, CIA. He currently leads the Risk Consulting Practice in KPMG in Malaysia. He has accumulated more than 25 years of experience with extensive audit, accounting, quality assessment review, risk management engagements and consulting experience. He provides overall direction of the internal audit engagement and is responsible for all stages of the audit work and maintains contact with the management to ensure open communication is practised and all internal audit work is carried out effectively and on a timely manner. An Executive Director with Governance, Risk and Compliance Services (“GRCS”) practice of KPMG MRC, namely Mr. Darren Lee Siet Loon, who is a Chartered Accountant of MIA, a member of Association of Chartered Certified Accountants and a Certified Internal Auditor, led the engagement and is supported by other professional staff. All the personnel deployed by KPMG are free from any relationships or conflicts of interest that could impair their objectivity and independence during the course of their work.</p> <p>Every year, internal auditors will report their observations and findings on pre-planned and pre-approved scope to Audit Committee without the presence of the management.</p> <p>Details of the internal audit function are set out in the Statement on Risk Management and Internal Control on page 79 and 80 of the Annual Report 2023.</p>

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

### Intended Outcome

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board always ensures that its communication with the shareholders and other stakeholders is effective, transparent and timely through various platforms.</p> <p>The following means of communications were utilised as channels for sharing of substantial information with shareholders, investors and members of the public:-</p> <p><b>Annual General Meeting</b></p> <p>The Company's AGM which is held not later than 30 June each year (the AGM for year 2023 was held on 29 May 2023) remains the principal forum for dialogue and interaction with shareholders. The Board regards the AGM as an important channel of communication, as it serves as a forum for direct two-way interaction between shareholders, Board and management on the Group's strategy, operations, performance and major developments. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf.</p> <p>The Board has ensured having the Notice of AGM together with the Form of Proxy given to shareholders at least 28 days before the AGM, which gives shareholders sufficient time to prepare themselves to attend the AGM or to appoint a proxy to attend and vote on their behalf. Each item of special business included in the Notice of AGM is accompanied by an explanatory statement for the proposed resolution to facilitate the full understanding and evaluation of issues involved. All directors and key senior management personnel are present in person to engage directly with shareholders and be accountable for their stewardship of the Company.</p> <p><b>Annual Report</b></p> <p>The Annual Report of the Company remains the source of information for the shareholders and other stakeholders. The contents of the Annual Report comprise details of the business, financial performance, direction and other activities of the Company which have enhanced the</p>



	<p>transparency level of the Group generally and meet the Listing Requirements and other governing regulatory requirements. Effective communication through timely announcements and release of financial results on a quarterly basis also provides shareholders and the investing public with an overview of the Group's performance and operations.</p> <p><b>Website</b></p> <p>The Company's corporate website at <a href="https://dkls.com.my">https://dkls.com.my</a> also provides an avenue for accessing to the latest corporate information and development of the Company easily and immediately. It houses information of the Group which includes corporate profile, information on property developments for both residential and commercial projects (including current and future launches), financial results, annual reports, Group policies, press releases and corporate news and events.</p> <p>Alternatively, Bursa Malaysia's website at <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a> would be another source of information to shareholders, investors and public community on the various announcements made by the Company from time to time in addition to Annual Report, Circular to Shareholders and quarterly financial results submitted to Bursa Malaysia.</p> <p>The Company has also published its Investor Relations Contact on its website.</p> <p><b>Online social networking</b></p> <p>By recognising broader communication, the Company has embarked on its social media journey by registering itself with online social networking platform such as Facebook page of DKLS Premierhome Sdn Bhd and DKLS Development Sdn Bhd for its property development activities.</p> <p><b>Senior Independent Director</b></p> <p>The Board has designated Mr Chin Kok Tong as the senior independent director of the Company to whom shareholders may address their concerns relating to the Group. At all times, shareholders may contact the Company through the Company Secretary for information.</p>
<b>Explanation for departure</b>	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:
<b>Timeframe</b>	:

**Intended Outcome**

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

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

**Practice 12.2**

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

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

**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Company has consistently adhered to best practice by circulating its notice for an AGM to the shareholders at least 28 days prior to the meeting, well in advance of the 21 days requirement under the Companies Act 2016 and the Listing Requirements. The notice for an AGM is accessible by the shareholders via Bursa Malaysia’s website. The said notice is also advertised in one (1) of the nationally circulated daily newspapers.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 13.2**

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

Application	:	Applied	
Explanation on application of the practice	:	<p>All directors have been present in person (or attendance through electronic means where the AGM is conducted virtually) in the previous AGMs to engage directly with shareholders and be accountable for their stewardship of the Company.</p> <p>At the forthcoming AGM, all directors are encouraged to attend in person to engage directly with shareholders. Questions from shareholders will be attended to at the AGM itself by the responsible director or key senior management personnel.</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

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

### Practice 13.3

Listed companies should leverage technology to facilitate—

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

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>AGM serves as the principal forum for dialogue with shareholders where they may raise questions or seek clarifications on the Company's businesses and reports from the Directors.</p> <p>The company had resumed its fully physical general meeting in 2022. In Financial Year 2023, we conducted our fully physical general meeting on 29 May 2023.</p> <p>The Company did not provide for any technology to allow participation or voting by shareholders in absentia during such physical meetings. However, shareholders who physically attend are able to actively participate in discussions and engage directly with the board and senior management so as to enable them to make informed voting decisions at the General Meeting in more transparent manner.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	All directors have been present in person in the previous AGMs (or attendance through electronic means where the AGM is conducted virtually) to engage directly with shareholders and be accountable for their stewardship of the Company.  The Chairman encourages shareholders to participate in the Questions and Answers session by posting questions or seeking clarification on matters discussed at every general meeting. The Directors endeavoured to answer all questions received during the meeting.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>		
<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	Although the Company had successfully conducted a fully virtual AGM in 2021 due to the Covid pandemic, it has resumed to conduct a fully physical general meeting since 2022 following the Government's announcement of the country transitioning into the endemic phase. The physical Annual General Meeting for financial year 2023 was held on 29 May 2023.
	:	Despite some benefits of virtual AGM, physical participation enables better shareholder engagement, direct access to Directors and management, as well as transparency in discussions, which cannot be replicated through a virtual AGM.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Outcome of the AGM on all resolutions proposed at the AGM are submitted to Bursa Securities immediately after the AGM. The extract of minutes of general meetings (including the attendance of Directors, questions raised by shareholders and the respective responses, outcome of the voting results) are made available to the shareholders and public for reference at the Company website within 30 business days after the general meeting.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



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

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

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