CORPORATE GOVERNANCE REPORT

STOCK CODE : 5843
COMPANY NAME : KUMPULAN PERANGSANG SELANGOR BERHAD
FINANCIAL YEAR : December 31, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application :	Applied
Explanation of application of the practice :	The Board of Directors ("Board") of Kumpulan Perangsang Selangor Berhad ("KPS Berhad" or "the Company") assumes overarching responsibility for the overall performance of KPS Berhad and its subsidiaries ("the Group"). The Board is committed to upholding the highest standards of corporate governance, ensuring that the Company's operations are conducted with integrity, transparency, and professionalism. The Board assumes, amongst others, the following primary responsibilities: **1. Driving Excellent in Corporate Governance Group-Wide** ➢ Through active oversight, the Board continually enhances governance practices and implements a comprehensive Corporate Governance ("CG") Framework across the Group. Regular reviews and benchmarking against global best practices and industry standards help optimise governance structures and processes. ➢ KPS Berhad Governance Framework ("KPS Berhad-GF") was established in 2017, designed to align with the Company's business model and strategic direction as an investment holding entity with diversified operations spanning multiple regions. This comprehensive framework empowers the Board to fulfil its responsibilities at the investee companies ("ICs") level in an effective and systematic manner, with a particular focus on strategic leadership, policy development, governance, and the execution of value creation plans ("VCPs"). ➢ Under the KPS Berhad-GF, the Board of KPS Berhad is tasked with overseeing the Group's management and business affairs and making key policy decisions. ➢ To maximise the overall effectiveness of the Board, specific responsibilities are delegated to various Board Committees ("BCs"), namely, the Board Audit Committee ("BAC"), Nomination

and Remuneration Committee (“NRC”), Board Governance and Risk Committee (“BGRC”), Board Investment Review Committee (“BIRC”), and Sustainability Board Committee (“SBC”), ensuring each BC operates rigorously within its defined Terms of Reference (“TOR”).

- During the financial year ended 31 December 2025 (“FY2025”), KPS Berhad conducted a thorough review of its Group-wide policies to ensure their continued relevance, effectiveness, and alignment with evolving internal and external dynamics. This exercise demonstrates our steadfast commitment to meeting the expectations of discerning stakeholders while further enhancing operational efficiency and strengthening governance standards.

- Key drivers for the new or revised policy/framework include:

  a) Adapting to Industry Evolution – aligning with emerging standards and best practices to sustain competitiveness and operational efficiency
  b) Enhancing clarity and enforceability – Ensuring that policies/frameworks are clearly articulated, transparent, and uniformly implemented throughout the Group.
  c) Enhancing compliance and risk management – Revising policies/frameworks to proactively address legal and regulatory risks while steadfastly maintaining the highest standards of corporate integrity.

- Amongst the new/revised policies/frameworks in 2025 are:

New	Revised
1) Inventory Management Policy	1) Anti-Bribery and Corruption Policy 2) Compliance Policy 3) Personal Data Protection Policy 4) Code of Business Conduct and Ethics 5) Treasury Policy 6) Dividend Policy 7) Board Diversity Policy 8) Fit and Proper Policy 9) Talent Management and Succession Planning Policy 10) Performance Management System Policy 11) Head of Subsidiary Appointment Policy 12) Directors’ Conflict of Interest Policy 13) Employees’ Conflict of Interest Policy 14) Senior Management Remuneration Policy 15) Non-Audit Related Services by External Auditors Policy & Policy on Appointment and Assessment of External Auditors (merged) 16) Sustainability Framework and realigned the Task Force on Climate-Related Financial Disclosures with the National Sustainability Reporting Framework

2. Review, challenge and decide on Management’s proposal and monitor its implementation by Management, supervise and assess Management performance in managing the Company’s business

- The Board assumes full accountability for the overall performance of the Group, exercising independent judgment with utmost care, skill, and diligence, as stipulated under Sections 211 (Functions of the Board) and 213 (Duties & Responsibilities of Directors) of the Companies Act 2016 (“CA2016”). In line with the Securities Commission Malaysia (“SC”)’s GCD guidelines, KPS Berhad-GF ensures that directors maintain rigorous oversight of all internal controls across the Group.

- The Board exercises strategic oversight and establishes direction for both the Group’s immediate objectives and long-term aspirations, shaping its overall trajectory. It offers informed counsel on corporate initiatives proposed by Management, closely monitoring their implementation to ensure optimal performance and sustained growth.

- In fulfilling its responsibilities, the Board thoroughly evaluates and challenges Management’s underlying assumptions, making key decisions on the annual strategic initiatives and business plan. This encompasses the approval of capital and revenue budgets, as well as the corporate key initiatives (“CKIs”) and key performance indicators (“KPIs”) for the Company and the Managing Director/Group Chief Executive Officer (“MD/GCEO”), thereby ensuring full alignment with the Company’s strategic objectives and facilitating robust decision-making.

- While the Board provides oversight of the Group’s operations, the MD/GCEO, with Management's support, is charged with executing the Group’s strategic and operational agenda. The MD/GCEO is accountable for implementing strategies and policies as approved by the Board, with the Company’s performance evaluated through quarterly financial reports and biannual assessments of the CKIs and KPIs.

- Effective 2025, to further strengthen the Board's oversight of the Group's strategic matters, a dedicated strategic agenda has been incorporated into KPS Berhad’s quarterly Board meetings. Under this framework, the MD/GCEO delivers comprehensive updates to the Board on key strategic matters, including ongoing investment and divestment realisation, capital structure and capital availability, dividend distribution, value creation, prospective investments, emerging risks, mergers and acquisitions and talent development.

- In addition to quarterly and ad hoc Board meetings, a separate off-site informal session, known as the Board Retreat Sessions (“BRS”), is also held at least twice a year to facilitate in-depth strategic discussions among the Board, Senior Management (“SM”), and Heads of Subsidiary companies (“HOS”). The BRS serves as a dedicated forum for formulating strategic initiatives,

	setting the Group's direction, and conducting a comprehensive review of progress. In 2025, the BRS was held from 28 November 2025 to 1 December 2025. **3. Ensuring Strategic Initiatives Plan Supports Long-Term Value Creation and Includes Strategies on Economic, Environmental, Social & Governance Considerations Underpinning Sustainability** ➢ The Board plays a pivotal role in shaping and advancing the Group's sustainability agenda. It oversees the formulation and execution of sustainability strategies and monitors progress towards the Group's established sustainability objectives. Both the BCs and the SBC collaborate closely with the Board, providing specialised oversight and expert guidance on specific sustainability matters. Feedback from stakeholder engagements on Environmental, Social, and Governance ("ESG") topics is communicated to the SBC, which then presents these findings to the Board for consideration and action. This governance structure facilitates comprehensive analysis and enables well-informed decision-making on complex sustainability issues, thereby supporting the Group's long-term success. ➢ The Board formally adopted the Sustainability Policy ("SP") in November 2018, subsequently revising it in 2019 to establish a robust framework that underpins the Group's unwavering commitment to responsible business practices. This policy integrates ESG principles, thereby advancing sustainable development throughout the organisation. ➢ Recognising the rapidly evolving business landscape and shifting stakeholder expectations, KPS Berhad undertook a comprehensive review and enhancement of its Sustainability Policy in 2024. This updated policy further strengthens the Group's ability to systematically embed sustainability within its operational framework, ensuring alignment with current strategic objectives and enabling the effective management of emerging challenges. ➢ Aligned with the SP, the Group is committed to taking significant steps to ensure its activities generate long-term value for all stakeholders through sustainable development practices. The Group executed its strategy by addressing ESG risks and opportunities, aligning with its business aspirations and pursuit of operational excellence. **4. Ensuring a robust risk management framework is in place, enabling a clear understanding of principal risks, defining risk appetite, and ensuring effective processes to identify, assess, manage, and monitor significant financial and non-financial risks.** ➢ The Board remains steadfast in its commitment to upholding a robust and effective risk management and internal control

framework and procedures covering financial, operational, regulatory, compliance, governance, and sustainability. This commitment aims to safeguard shareholders' investments, protect the Group's assets, and ensure the reliability of financial statements.

- Given the above, the Group established an Enterprise Risk Management ("ERM") framework in 2013, which was revised in 2018 and further strengthened in August 2020 to align with the latest ISO 31000:2018 International Standards of Risk Management - Principles and Guidelines. The ERM framework was recently enhanced to incorporate processes for identifying, assessing, and managing climate-related risks, in line with the establishment of the Task Force on Climate-related Financial Disclosure ("TCFD") framework for climate-related financial disclosure within the KPS Berhad Group on 28 August 2023.

- The rationale for the enhancement was to proactively identify, assess, and manage key risks at an optimal level, while accounting for evolving risk profiles influenced by changes in business strategies, the external environment, and/or the regulatory landscape. Aligned with the Group's commitment to delivering sustainable value, the ERM framework provides a comprehensive, organised approach to risk management across the entire entity.

- Details of the Group's ERM Framework are further stated under Practice 10.1 and 10.2 of this CG Report and in the Statement on Risk Management and Internal Control ("SORMIC") of the Company's 2025 Integrated Annual Report ("2025IAR").

5. **Ensuring that the Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of the Board and Senior Management**

- The Board has tasked the NRC with reviewing succession planning for the Board and the MD/GCEO (C-Level) position, as well as the C-1 (SM) and HOS positions at the ICs.

- Supported by the Company's Human Resource Development ("HRD"), the NRC is to identify high-potential talent for C-Level roles, recommend specific development interventions, oversee progress against each talent's development agenda, and engage external expertise as needed to adjust development activities for optimal outcomes.

- Since 2018, the Board has implemented the Board Succession Planning Framework (BSPF) to ensure systematic succession planning for KPS Berhad. The BSPF sets out clear guidelines for developing the Board Succession Plan (BSP), which was expanded in 2020 to cover the KPS Berhad Board Committee and Board Representatives at the Investment Companies.

- In 2024, the Board conducted a thorough review and subsequently approved an updated BSP for 2024, factoring in the upcoming retirement of two (2) directors due to tenure limits in December 2026 and April 2027. The Board has introduced specific appointment criteria to ensure continuity of skills and experience, facilitate a seamless transition, maintain leadership stability, and protect the Company's long-term performance.

- Regarding management succession planning, the Company has implemented a structured, Group-wide leadership succession review process for key senior management positions. This process involves a thorough assessment of the leadership pool's capability, readiness, and career aspirations. During the financial year under review, the NRC, at its meeting held on 16 August 2024, evaluated the progress of the 2024 Talent Management and Succession Planning initiatives for the KPS Berhad Group. This review encompassed MD/GCEO level positions (C-Level), Senior Management (C-1 Level), and HOS within ICs.

- The objectives of the review of the Management Succession Planning are as follows:

    a) To ensure the continued supply and availability of competent talent.
    b) To implement strategic talent management & succession planning by accurately identifying, developing and retaining high-potential talents.
    c) To implement strategic talent management & succession planning by accurately identifying, developing and retaining high-potential talents.

- In 2025, the Company launched a Coaching and Mentoring Programme for senior management and middle management to foster a culture of growth and development, aiming to cultivate high-potential future leaders within the Group. Additionally, the Business Challenge Programme was introduced for middle management employees to enhance their decision-making and design thinking skills, preparing them for senior roles as part of the Talent Management strategy.

- Overall, the Board is strongly satisfied with the succession planning established for the Board, MD/GCEO, SM, HOS and the Company's future leaders, which ensures business sustainability. Additionally, the Board is pleased with the NRC's effective fulfilment of its responsibilities in nomination and succession management, as outlined in its TOR.

6. That there are procedures to enable effective communication with stakeholders

- KPS Berhad is committed to fostering strong, transparent, and constructive relationships with our internal and external stakeholders, including shareholders, employees, customers, regulators, business partners, and the communities in which we operate. Our stakeholder engagement practices are guided by a comprehensive Communication Policy that ensures consistency, integrity, and accountability across all our interactions.

- When dealing with the investment community, the Company is committed to fostering transparent, timely and consistent communications, recognising the importance of accountability and avoidance of selective dissemination in disclosing information on the Group's business activities and prospects to its stakeholders.

- To facilitate effective communication with this audience, the Company has an Investor Relations Policy ("IR Policy") in place that outlines principles and communication platforms for disseminating information. This ensures that the Board and Management can consistently communicate effectively with the shareholders and other stakeholders.

7. Ensure all Directors are able to understand financial statements and form a view on the information presented

- While the BAC is entrusted with supporting the Board in the effective discharge of its fiduciary responsibilities regarding financial reporting, the directors are strongly encouraged to attend regular financial literacy training sessions and to maintain open communication, allowing them to ask questions and discuss financial matters. This approach will equip directors to effectively oversee the company's financial performance and make informed strategic decisions.

8. Ensuring the integrity of the Company's financial and non-financial reporting

- The Board is committed to providing transparent, fair, and comprehensible evaluations of the Group's financial performance and prospects when presenting annual financial statements, quarterly announcements to Bursa Securities, and all disclosures to shareholders. In this endeavour, the BAC supports the Board by supervising the financial reporting process and ensuring the quality of financial reports.

- The BAC diligently monitors and assesses the accuracy and integrity of the Group's financial statements and assists the Board in evaluating the suitability of the Group's accounting policies and any changes thereto. However, the Board fully acknowledges that each director is also responsible for thoroughly reviewing the Company's financial statements and ensuring that the Management's disclosures align with their understanding of the Company's operations.

Explanation for departure :	

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<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
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Intended Outcome

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

Practice 1.2
A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application :	Applied	
Explanation on application of the practice :	1. The Board was led by Dato' Dr. Ahmad Fadzli bin Ahmad Tajuddin ("Dato' Dr. Ahmad Fadzli" or "Chairman"), who was appointed on 26 May 2025. 2. Throughout the year, Dato' Dr Ahmad Fadzli demonstrated exemplary leadership of the Board, consistently upholding the highest standards of formality, professionalism, and unity. Through his diligent execution of board duties, roles, and responsibilities, he provided strategic guidance and played an instrumental role in steering the Board towards effective governance and cohesive decision-making. 3. Based on the results of the ABE 2025 evaluation, Dato' Dr. Ahmad Fadzli's performance was rated as "Above Expectation" by his peers, underscoring his exemplary leadership. This recognition reflects his ability to foster Board effectiveness, demonstrate unwavering commitment to governance and strategic direction, and exhibit outstanding interpersonal and communication skills. 4. The Chairman's specific roles and responsibilities are comprehensively detailed in Clause 3.5.1 of the Board Charter, accessible on the Company's website at www.kps.com.my. 5. Dato' Dr. Ahmad Fadzli's profile is set out in the Board of Directors Profile of the 2025IAR.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.3
The positions of Chairman and CEO are held by different individuals.

Application :	Applied
Explanation on application of the practice :	1. The responsibilities of the Chairman and the MD/GCEO are deliberately segregated and entrusted to separate individuals, as outlined in Clauses 3.5.1 and 3.5.2 of the Company's Board Charter. This deliberate separation reinforces a strong governance structure by ensuring clear accountability and preventing excessive concentration of authority. By distributing leadership roles appropriately, the Company safeguards effective oversight and fosters objective, well-informed decision-making at the highest level. 2. The responsibilities of the Chairman include leading the Board in its collective oversight of Management, while the MD/GCEO focuses on the business day-to-day management of the Company. **<u>Role of Chairman:</u>** 3. The Chairman is responsible for effective leadership of the Board with a strong emphasis on governance and compliance. His key responsibilities as per the Board Charter include, inter alia: i) Providing overall leadership to ensure the Board fulfils its responsibilities efficiently. ii) Guiding the adoption and implementation of sound corporate governance practices. iii) Setting the Board agenda and ensuring members receive timely, accurate information. iv) Facilitating productive discussions and ensuring Board meetings are conducted effectively. v) Encouraging open participation and the free expression of differing opinions. vi) Promoting respectful relationships among Board members and managing interactions between the Board and Management. vii) Ensuring effective communication with stakeholders and relaying their views to the Board. viii) Devoting sufficient time to fulfil the responsibilities of the Chairman's role.

	Role of MD/GCEO: 4. The MD/GCEO is responsible for the day-to-day management of the Company’s operations, acting within the authority delegated by the Board. Key responsibilities per the Board Charter include the following: i) Strategy development and initiatives. ii) Business development. iii) Monitoring and tracking the performance of the business. iv) Risk management and development of internal processes. v) Human resource development and promoting a culture based on the Company’s vision and values. vi) Stakeholder communication, engagement and management. 5. The MD/GCEO implements the policies, strategies and decisions adopted by the Board with due care and integrity. 6. The detailed roles and responsibilities of the Chairman and MD/GCEO are clearly spelt out in Clause 3.5.1 and 3.5.2 of the Board Charter, which is available on the Company’s corporate website at www.kps.com.my.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.4

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

<table>
<tr><td colspan="3"><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></td></tr>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">1. The Chairman of the Board, Dato' Dr. Ahmad Fadzli, does not serve as a member of any BCs, a governance practice consistently upheld since 2020. This intentional separation strengthens the system of checks and balances, ensuring that the Board is able to objectively evaluate and consider the recommendations put forward by its committees.</td></tr>
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Intended Outcome

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

Practice 1.5

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

Application : Applied

Explanation on application of the practice :

1. Selfia binti Muhammad Effendi, who serves as the Company Secretary of KPS Berhad ("Company Secretary"), is a qualified Company Secretary under Section 235 of the CA2016. In her role, she provides the Board with comprehensive advisory support on its duties and responsibilities, corporate governance matters, and compliance with all relevant laws and regulatory obligations affecting the Group. Additionally, she ensures the effective administration of Board and BCs meetings, attends and accurately records the proceedings of Board, BCs, and general meetings, and facilitates clear and efficient communication amongst Board members.

2. The Company Secretary keeps the Board and Management informed of statutory and regulatory updates, particularly concerning directors' responsibilities and disclosure obligations. Her role also involves communicating Board decisions and policies to the BCs and Management, overseeing Board induction, and facilitating directors' professional development.

3. As a central point for stakeholder communication and engagement on CG matters, the Company Secretary is crucial in facilitating communication between regulators, the Board, and SM. Ensuring the timely conveyance of requests and instructions from regulators to the Board and SM, the Company Secretary provides appropriate advice in the process.

4. The detailed roles and responsibilities of the Company Secretary are clearly delineated in Clause 15 of the Company's Board Charter.

5. The Company Secretary is committed to continuous professional development and actively engages in training to stay up to date with regulatory changes and corporate governance. During the year under review, the Company Secretary attended the following training courses:

No.	Courses/Programmes Attended	Date	Organiser/Speaker
1.	Amendments to Stamp Duty Law (Stamp Act 1949 and Measures for the Collection, Administration and Enforcement of Tax Act 2024).	28.5.2025	KPS Berhad Mr Jason Tan Jia Xin, Partners from Messrs Lee Hishamuddin Allen & Gledhill

2.	Understanding Carbon Tax (Implications, Readiness & Strategic Response for Malaysian Corporates)	17.7.2025	KPS Berhad Speaker: Ms Krishnavenee Krishnan (The Hive Climate AI)
3.	Strengthening Corporate Integrity (Key Amendments Proposed by the Whistleblower Protection (Amendment) Bill 2025 and Corporate Liability for Corruption Offences - Section 17 Malaysian Anti-Corruption Commission Act	17.7.2025	KPS Berhad Justin Wee Kim Fang, Principal at Messrs Justin Wee (Advocates & Solicitors)
4.	Suruhanjaya Syarikat Malaysia Berhad ("SSM") National Conference 2025	19 and 20.8.2025	SSM
5.	MAICSA Annual Conference 2025	23-24.9.2025	MAICSA
6.	ABMS Awareness Session with SIRIM	16.10.2025	KPS Berhad and SIRIM
7.	Practical Guide for Company Secretaries	28.10.2025	Menteri Besar Selangor Incorporated (MBI) Speaker: Ms Leong Oi Wah Epsilon Advisory Services
8.	Constitutions & Allotment of Shares	22.12.2025	MBI Speaker: Ms Leong Oi Wah Epsilon Advisory Services

6. During the year under review, the Board was satisfied with the performance and level of support given by the Company Secretary to the Board in the discharge of the Board's functions.

Explanation for departure :

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

Measure :

Timeframe :

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

Practice 1.6
Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application :	Applied
Explanation on application of the practice :	**Supply of Meeting Papers/Access to Information** 1. In line with the Group's commitment to sustainability and its drive towards a paperless environment, all meeting materials are distributed to the Board and Management via the secure online platform, Convene. This method ensures that directors have timely electronic access to meeting documents, allowing for thorough preparation in advance of each meeting. Furthermore, this process enables directors to request additional information as required, thereby supporting well-informed and effective decision-making during meetings. 2. All key deliberations and decisions made during Board and BCs meetings, including any dissenting views and instances where a director abstains from voting or deliberating due to a conflict of interest, are comprehensively documented in the meeting minutes. Draft minutes of the Board and BCs meetings are distributed via email to the relevant members for their review and feedback prior to being presented at subsequent meetings for confirmation and formal endorsement by the respective Chairpersons. 3. Directors have unrestricted access to Management and all necessary Group information, ensuring the Board can effectively carry out its duties. Additionally, directors may obtain independent professional advice at the Company's expense to further support their fiduciary responsibilities. **Board Meeting & Attendance** 1. The Board meets quarterly, with additional special meetings held as necessary to address specific matters between regular sessions, utilising virtual, hybrid, and physical platforms in accordance with Clause 120 of KPS Berhad's Constitution. 2. The Chairman, in consultation with Management, determines the meeting agenda and ensures that adequate time is allocated for the comprehensive discussion of all matters submitted to the Board for its consideration. To facilitate effective and well-informed deliberations, a pre-Board session is convened to provide the Chairman with a detailed briefing on all agenda items scheduled for discussion. 3. The one-year schedule for Board, BCs, pre-Board, Annual General Meeting ("AGM"), and BRS meetings is finalised and communicated

	to the Board in November of the preceding year, allowing directors sufficient time to plan their attendance. 4. In 2025, all directors fulfilled the minimum attendance requirement of at least 50% of Board meetings, as mandated by Paragraph 15.05(3)(c) of the MMLR of Bursa Securities. The overall average attendance at Board meetings was high, with three (3) directors achieving 100% attendance and five (5) directors recording 89%. As for BCs, the average attendance stood at a commendable 100%. Details of meeting attendance were disclosed in the 2025IAR under the CG Overview Statement. 5. In accordance with the Directors' Conflict of Interest Policy ("DCOI Policy") and in the interest of promoting transparency and robust management of potential conflicts of interest ("COI"), all Board members are required to disclose any relevant interests prior to each Board and BCs meetings, in addition to the mandatory annual disclosure at the beginning of the year. This proactive measure not only supplements the annual declaration process but also underscores the Board's strict compliance with KPS Berhad's DCOI Policy. 6. Pursuant to Clause 118(1) of the Company's Constitution, all decisions at Board meetings are made via majority vote of the directors present. In instances concerning related party transactions, only directors without a vested interest shall vote. During the financial year under review, the Board achieved unanimous agreement on all matters, underscoring its dedication to sound governance and shared accountability. **Board Committees** 1. The Board has established five (5) BCs, namely BAC, NRC, BGRC, BIRC, and SBC, each entrusted with delegated authority to oversee distinct areas in accordance with its respective TOR. Prior to every Board meeting, the Chairman of each BC submits a comprehensive report detailing the committee's discussions and recommendations. During the meeting, the Chairman formally presents this report and tables the BCs' recommendations for the Board's consideration and approval at KPS Berhad's Board meeting. 2. This rigorous and structured approach ensures that the Board remains fully apprised of committee deliberations, thereby facilitating informed decision-making and enabling the Board to provide constructive feedback on matters raised by the BCs. 3. The total counts of Board, BCs, and AGM/Extraordinary General Meeting ("EGM") meetings held, and the hours spent by the Board during FYE2025 were disclosed in the 2025IAR under the CG Overview Statement. **Minutes of Meetings** 1. All key deliberations and decisions made during Board and BCs meetings, including any dissenting views and instances where a

	director abstains from voting or deliberating due to a conflict of interest, are comprehensively documented in the meeting minutes. Draft minutes of the Board and BCs meetings are distributed via email to the relevant members for their review and feedback prior to being presented at subsequent meetings for confirmation and formal endorsement by the respective Chairpersons.	
Explanation for departure :		
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Measure :		
Timeframe :		

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

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

Practice 2.1
The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

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

Application :	Applied
Explanation on application of the practice :	1. The Board Charter ("Charter") establishes the standards and principles that govern the duties and responsibilities of each director, both individually and collectively as a Board. It also outlines Board processes and protocols in accordance with the authority and responsibilities conferred by the Company's Constitution, CA2016, Bursa Securities MMLR, SC Guidelines, and Malaysian Code of Corporate Governance ("MCCG"). 2. The Charter provides an overview of the following: a) The delineation of the duties, responsibilities and powers of the Chairman of the Board and its directors and the MD/GCEO of the Company; b) Delegation of authority by the Board to individual directors and its committees in assisting the Board to execute its duties and responsibilities; c) Matters reserved for consideration and approval by the Board; and d) The Board's operating procedures and practices for Board effectiveness. 3. In summary, the Charter serves as a definitive governance framework, providing clear guidance for the Board in discharging its fiduciary duties with utmost professionalism and effectiveness. It specifies the distinct roles, powers, responsibilities, and obligations of the Board, BCs, individual directors, the MD/GCEO, and the Company Secretary. While authority is appropriately delegated, the Board retains ultimate responsibility and maintains collective oversight of both its committees and management at all times. 4. To ensure the ongoing relevance of the Charter, it is subject to systematic review and revision at least once every three (3) years, or whenever there are changes in the regulatory framework or requirements. This approach ensures that the Charter consistently reflects the Company's evolving

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<tr><td></td><td colspan="2">objectives, strategies, and the latest legal and regulatory developments.

5. The Charter is publicly accessible on KPS Berhad’s website at www.kps.com.my.</td></tr>
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Intended Outcome
The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

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

Practice 3.1
The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

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

Application :	Applied
Explanation on application of the practice :	1. The Board established the Code of Conduct for Directors ("Code") in 2013, with subsequent revisions on 26 August 2021, 26 August 2022 and 30 May 2024. The 2024 revision incorporated the additional responsibilities for directors regarding beneficial ownership ("BO"), aligning with the amended CA2016 and the Company's BO Policy. 2. The Code provides the fundamental guiding principles and standards applicable to the directors, whereby such principles and standards are founded on high standards of professional and ethical practices. In discharging his/her duties, a director should always abide by and conform to the Code as follows: i) Compliance with laws, rules and regulations ii) Conflict of Interest iii) Conduct of Directors iv) Anti-Corruption/Bribes v) Maintain Proper Records and Accounts vi) Group Governance vii) Confidentiality viii) Insider Trading ix) Anti-Money Laundering/Combating the Financing of Terrorism ("AML/CFT") x) Company Asset xi) News Release xii) Sustainability Development 3. Additionally, the Board has established a Code of Conduct for staff, known as the 'Code for Staff', which reinforces principles of discipline, good business ethics, professionalism, loyalty, integrity, and cohesiveness. These principles are integral to the success and well-being of the Group. The Code for Staff is an integral component of the Group Scheme and Conditions of Service, binding all employees to its terms and conditions.

	4. In 2022, the Board approved the establishment of the Code of Business Conduct and Ethics (“COBE”) for the KPS Berhad Group, which provides guidance and sets common ethical standards to promote consistent behaviour across all employment levels. The COBE subsequently revised in May 2025, governs the actions and working relationships of Board members and Management with employees, as well as dealings with other stakeholders, and, where applicable, with counterparties and business partners. The Code and COBE are available on the Company’s corporate website at www.kps.com.my. 5. The standards of behaviour contained in the COBE are derived from KPS Berhad’s underlying core values of Pride, Respect, Integrity, Discipline and Extra Mile (PRIDE) relating to the following aspects: i) Work Environment & Human Rights ii) Anti-Bribery and Corruption iii) Donations And Sponsorships iv) Dealing With Counterparties and Business Partners v) Dealing With Conflicts of Interest vi) Gifts, Entertainment and Travel vii) Protecting The Group and Shareholders viii) Dealing With Government Authorities, Political Parties and International Organisations 6. The Code and COBE are on the Company’s corporate website at www.kps.com.my.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

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

Practice 3.2
The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application :	Applied
Explanation on application of the practice :	1. KPS Berhad is dedicated to upholding the highest standards of professionalism and ethical conduct in all business and professional activities, in alignment with the Group's core values of PRIDE, RESPECT, INTEGRITY, DISCIPLINE, and EXTRA-MILE. The Company is committed to conducting its operations with the utmost transparency, integrity, probity, and accountability, consistently adhering to ethical, responsible, and transparent business practices. 2. The Board established the Whistleblowing Policy and Guidelines ("WB Policy") on 25 August 2011, with a subsequent revision on 26 March 2024 to maintain its continued relevance and effectiveness. Upon approval by the respective IC Boards, the WB Policy was formally communicated to all ICs in compliance with the SC GCD guidelines. The WB Policy establishes a comprehensive and structured framework that encourages responsible whistleblowing from both internal and external stakeholders, ensuring robust protection and providing a secure, impartial channel for reporting suspected misconduct. This approach guarantees that all concerns are addressed independently and objectively. 3. The WB Policy covers, amongst others, misconduct on matters relating to: • an offence or a breach of the law; • breach of the Company's rules and regulations, financial regulations or other policies or standards that apply; • fraud and corruption; • disclosure related to a possible miscarriage of justice; • health and safety issues that violate relevant laws and standards; • sexual or physical abuse; and • other unethical conduct. 4. The WB Policy specifies the designated reporting channel for shareholders, as follows: a) Chief Integrity and Governance Officer ("CIGO") (email: integrity@kps.com.my; hotline: +603-5524 8448); and b) Chairman of the BGRC (email: chairmanbgrc@kps.com.my) as designated avenues for stakeholders to raise concerns.

Notably, no concerns were raised during the year under review. The WB Policy is accessible on the Company’s corporate website at www.kps.com.my.

Anti-Bribery and Corruption Policy

1. The Board adopted the Anti-Bribery and Corruption Policy (“ABC Policy”) on 28 November 2019, with subsequent revisions on 25 February 2022 and 28 March 2025, ensuring its continued relevance and adherence to the triennial review requirement set out in the Internal Document Policy.
2. The ABC Policy is designed to prevent corrupt practices, establish robust safeguards, and minimise corporate liability under Section 17A of the MACC Act 2009. Its implementation aligns with amendments to Bursa Securities' MMLR and supports the National Anti-Corruption Strategy (“NACS”) 2024–2028. The policy applies across all subsidiaries and is accessible on the Company’s website at www.kps.com.my.

Integrity and Governance Unit

1. To strengthen internal controls against corruption, abuse of power, and malpractice, the Board established the Integrity Governance Unit (IGU) on 27 November 2020. A CIGO and an Integrity Governance Officer (IGO) were appointed for the Group, effective 1 January 2021, in compliance with government requirements for all GLCs. The IGU’s formation also complies with the Guidelines for Adequate Procedures under Section 17A(5) of the MACC Act 2009. In 2025, the IGU reported no corruption cases to the MACC.

Organisation Anti-Corruption Plan 2023-2026

1. Aligned with the NACP, the Board introduced the Organisation Anti-Corruption Plan 2023-2026 (“OACP”) for KPS Berhad on 28 August 2023. The OACP demonstrates the Company’s commitment to integrity, transparency, and accountability by detailing specific initiatives to promote a corruption-free workplace and embed integrity as a core organisational value.
2. In line with its ongoing commitment to integrity and good governance, the Company will, upon the Board’s advice and approval, initiate the renewal of the OACP for the 2027–2030 cycle at the appropriate time.

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

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

Practice 4.1
The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

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

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

Application :	Applied
Explanation on application of the practice :	1. As part of our commitment to responsible CG, KPS Berhad recognises sustainability as a key pillar in driving long-term value for our stakeholders. The Board oversees sustainability practices across the Group, ensuring that ESG considerations are embedded in the business strategy and operations. This commitment is guided by our Sustainability Policy, which establishes the framework for sustainability integration and sets clear accountability at both the Board and Management levels. 2. The Board, through its relevant committees, reviews sustainability risks, initiatives, and performance to ensure alignment with regulatory requirements and best practices. The Board ensure that sustainability strategies, priorities, and targets are clearly defined and aligned with its broader goals. In executing its responsibilities, the Board integrates sustainability considerations into the development and execution of the Group's strategies, business plans, and risk management framework. 3. The SBC, composed mainly of Board members, actively manages and oversees the implementation of the company's sustainability policies, strategies, and key priorities. The SBC regularly reviews initiatives and performance to ensure compliance with regulatory standards and alignment with best practices. 4. The SBC meets at least three (3) times a year, while ongoing informal consultations between Management and external stakeholders ensure continuous dialogue throughout the year. The Corporate Sustainability Champion ("CSC") Committee, which includes representatives from IRSC, HOS and EXCO, meets at least biannually to evaluate significant ESG risks and opportunities. The CSC proactively identifies and assesses these issues before presenting well-informed

<table>
<tr><td></td><td colspan="2">recommendations to the SBC. In turn, the SBC provides strategic guidance to Management, enabling the implementation of targeted initiatives and solutions, monitoring progress, and driving continuous improvement.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3"><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome

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

Practice 4.2

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

Application :	Applied	
Explanation on application of the practice :	1. The Board ensures that information on sustainability strategies, priorities, targets, and performance against KPIs is effectively communicated to both internal and external stakeholders through the annual publication of the Company's Sustainability Report, which is released alongside the 2025IAR. 2. Internally, the Boards of operating subsidiary companies monitor and deliberate on sustainability issues on a quarterly basis to ensure successful implementation and alignment of the materiality initiatives with KPS Berhad's strategic objectives.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.3

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

Application :	Applied	
Explanation on application of the practice :	1. To proactively address emerging sustainability challenges, the Board is committed to continuously enhancing its expertise in areas such as climate-related risks, health and safety, human rights, and social investment initiatives. Board members participate in regular refresher courses and training sessions led by industry experts, thereby strengthening their capacity to provide strategic guidance on economic and ESG matters. 2. In 2025, Board members attended various sustainability-related training sessions, as detailed in the List of Trainings Attended by the Directors in the 2025IAR.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.4

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

Application :	Applied	
Explanation on application of the practice :	1. Given that both the Board and SM share accountability for managing sustainability risks and opportunities, their respective performance evaluation criteria have been enhanced to include clearly defined sustainability elements. 2. In accordance with the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (“ISSB”), namely IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) and IFRS S2 Climate-related Disclosures (IFRS S2), the Board requires that sustainability considerations, particularly those relating to ESG risks and opportunities, be systematically embedded in the formulation and execution of KPS Berhad’s strategic initiatives. Sustainability criteria have been embedded in SM performance evaluation since 2019, spanning CKIs, KPIs, and 360-degree feedback for both SM and HOS. 3. This ensures their actions promote long-term stakeholder value through sustainable practices. In 2025, ESG-related KPIs rose to 23% up from 9% in 2024, reflecting the Group’s strengthened focus on managing ESG risks and opportunities to drive business success and regulatory compliance.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.5- Step Up

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

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.		
Application	:	Adopted
Explanation on adoption of the practice	:	1. A dedicated Sustainability Unit within IRSC has been established since 2017 to oversee sustainability initiatives throughout the Group. The Chief Sustainability Officer is entrusted with formulating and executing the Group's sustainability strategy, managing associated initiatives, and embedding sustainability considerations into the Group's operations, while ensuring strict adherence to statutory requirements. 2. This outstanding initiative underscores the Board's unwavering dedication to maintaining exemplary corporate governance standards across the Group.

Intended Outcome

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

Practice 5.1

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

Application	:	Applied	
Explanation on application of the practice	:	1. The NRC conducts an annual review of the Board's composition through the ABE exercise, ensuring that Board diversity remains strategically aligned with the Company's overarching objectives, direction, and regulatory obligations. The Board is led by a Non-Independent Non-Executive Chairman ("NINEC") and comprises seven (7) Non-Executive Directors ("NEDs") in addition to the MD/GCEO. Of these members, five (5) serve as IDs, while three (3) are NIDs. 2. In addition, the NRC undertook a review of each Independent Non-Executive Director ("INED") tenure to ensure ongoing compliance with the Independent Director Tenure Policy ("IDT Policy"), which limits the INED tenure to a maximum of nine (9) years. This oversight formed an integral part of the ABE evaluation process. 3. Pursuant to Clause 76(3) of the Company's Constitution, one-third (1/3) of the directors are required to retire by rotation at the Company's AGM. The NRC will undertake a thorough assessment of the directors eligible for re-election, considering their performance as evidenced by the latest individual evaluation outcomes (ABE Results), their contributions to Board effectiveness and engagement, their competencies and capabilities, their time commitment, as well as their independence and objectivity. 4. In 2025, the Board concurred with the NRC's recommendation to consider the re-election of the directors retiring under Clause 76(3) of the Constitution, namely, Dato' Noorazman and Ahmad Fariz. Both directors abstained from all discussions and decisions regarding their own re-election during the relevant Board meeting, in line with the Company's Directors' Conflict of Interest Policy.	
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
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2
At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application :	Applied
Explanation on application of the practice :	1. The composition of the Board which comprised of 62.5% of IDs not only surpasses the minimum requirements stipulated in Paragraph 15.02 of the MMLR of Bursa Securities, which stipulate that at least one-third (1/3) of the Board must be IDs, including at least one (1) woman director, but also demonstrates KPS Berhad's commitment to robust governance and diversity. 2. The strong presence of IDs ensures rigorous checks and balances, further strengthening investor confidence in KPS Berhad and underscoring the Company's dedication to maintaining the highest standards of CG. 3. The Board's current composition provides a balanced, diverse array of skills essential for robust governance. Collectively, the directors possess expertise in strategic planning, governance, risk management, finance, legal compliance, sustainability, and stakeholder relations. This breadth of experience enables effective oversight and guidance, supporting the Company's strategic objectives and upholding high standards of accountability and operational performance. 4. Details of the directors' profile, including their qualifications, experience, and details of their length of service, can be referred to under Profile of Directors of the 2025IAR. **Board Skills Matrix** 1. The Board Skills Matrix ("BSM") developed since 2017, served as a strategic tool for systematically assessing the collective skills, knowledge, experience, capabilities, and industry backgrounds of current Board members. It guides the desired composition required to ensure the Board is suitably equipped to address both present and future challenges faced by the Group. Additionally, the BSM identifies the optimal blend of competencies, expertise, and experience necessary for the Board to respond effectively to evolving business needs and governance demands. 2. With the addition of Dato' Dr. Ahmad Fadzli to the Board in May 2025, the Board's skill sets, expertise, and industry experience have been significantly expanded, further strengthening its effectiveness and strategic capability, as outlined in the 2025IAR under the CGOS section.

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
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.

<table>
<tr><td>Application :</td><td colspan="2">Not applicable - Step Up 5.4 adopted</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2"></td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3"><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome

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

Practice 5.4 - Step Up

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

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.		
Application	:	Adopted
Explanation on adoption of the practice	:	1. The Independent Director Tenure Policy ("IDT Policy"), established in 2018 and reviewed in 2021 and 2024, sets a maximum tenure of nine (9) years for ID to serve the Board in accordance with StepUp Practice 5.4 of the MCCG. 2. The NRC reviews each ID's tenure annually as part of the ABE process to ensure ongoing compliance with the IDT Policy. In 2025, none of the IDs, namely Dato' Ikmal, Norliza, Dato' Noorazman, Sharmila and Datuk Syed Izuan, have surpassed the specified nine (9)-year limit set by the IDT Policy. 3. Regarding the status of independence of the IDs, the NRC and the Board concurred that the IDs' independence was affirmed based on the self-declaration of independence made by each ID, in accordance with the criteria for independence set out in the MMLR of Bursa Securities and satisfied the Fit and Proper Criteria set out in the Directors' Fit and Proper Policy ("DFP Policy"). 4. The IDT Policy is accessible on the Company's corporate website at www.kps.com.my.

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

Practice 5.5
Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

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

Application :	Applied
Explanation on application of the practice :	1. The NRC is responsible for reviewing the composition of the Board, identifying and shortlisting qualified candidates for directorship, and providing recommendations to the Board. The NRC undertakes a rigorous evaluation process of the appointment, guided by merit and objective criteria established by the Board, to ensure a formal, transparent selection process. 2. The assessment encompasses a comprehensive review of the candidate's skills, knowledge, experience, competencies, age, cultural background, gender, time commitment, including the number of other directorships held, as well as integrity and professionalism. 3. The Board has a clear, formal nomination process for Board appointments, consisting of eight (8) stages to ensure transparency and structure: i) Identification/source of candidates (via nomination by existing director, Independent Search Firm, Major shareholder or Management); ii) Evaluation of the suitability of candidates (based on selection criteria, taking into consideration the Board Skill Matrix and current/future needs of the Company); iii) Background screening and verification; iv) Interview by the NRC; v) Final deliberation by the NRC; vi) Recommendation by the NRC to the Board for decision; vii) Formal invitation by the Chairman of the Board/SID; and viii) Undergo the Board Induction program. 4. Regarding the appointment of the MD/GCEO and HOS, the NRC undertakes rigorous assessments guided by merit and objective criteria set forth by the NRC and the Board. The evaluation process encompasses a comprehensive review of various factors, such as professional skills, relevant

	experience, age, cultural background, gender, integrity, and professionalism. 5. For MD/GCEO contract renewals, the NRC additionally examines both current and historical performance, referencing CKIs, KPIs, and non-financial achievements. These in-depth evaluations form the basis for the NRC's recommendations to the Board for final approval. 6. In compliance with Paragraph 15.01A of the MMLR of Bursa Securities, the Board implemented the Directors' Fit and Proper Policy ("DFP Policy") for KPS Berhad on 16 June 2022. The policy was subsequently extended to all subsidiary companies, ensuring that any individual appointed, elected, or re-elected as a director within the Group demonstrates the requisite qualities, including character, integrity, competence, and time commitment necessary to discharge their duties effectively. 7. During the financial year under review, a director appointed to the Board, and those subject to re-election under the 1/3 rule, are required to satisfy the fit and proper criteria relating to character, integrity, experience, competence, and time commitment as stipulated in the DFP Policy. The DFP Policy is accessible on the Company's corporate website at www.kps.com.my.	
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
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6
In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

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

Application :	Applied	
Explanation on application of the practice :	1. In identifying experienced, qualified and fit-for-purpose candidates for director positions, the Board adopts a comprehensive approach that extends beyond recommendations from existing directors, management, or major shareholders. The Board also considers candidates proposed by independent professional search firms such as ICDM. 2. Each candidate is assessed against established performance criteria and the latest BSM and mapped against the Company's requirements	
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
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7
The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied	
Explanation on application of the practice	:	1. To facilitate the shareholders to make an informed decision on the re-election of directors, the relevant information on 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 Company as a whole was disclosed in the Notice of 48th AGM of the Company. 2. The NRC thoroughly evaluates the directors' eligibility based on their performance as evidenced by the latest individual evaluation outcomes (ABE Results), their contributions to Board effectiveness and engagement, their competencies and capabilities, their commitment of time, as well as their independence and objectivity. 3. In 2025, the Board concurred with the NRC's recommendation to consider the re-election of the directors retiring under Clause 76(3) of the Constitution, namely, Dato' Noorazman and Ahmad Fariz. Both directors abstained from all discussions and decisions regarding their own re-election during the relevant Board meeting, in line with the Company's DCOI Policy. 4. The justifications for the re-election by both the NRC and Board were disclosed in the Explanatory Notes and Statement Accompanying Notice of the 48th AGM of the Company held on 20 May 2025.	
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

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

Practice 5.8

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

Application : Applied

Explanation on application of the practice :

1. Dato' Ikmal, serving as the Senior Independent Director, chairs the NRC and is supported by three (3) members, all of whom are IDs. In his capacity as Chairman, Dato' Ikmal provides strategic oversight of succession planning and talent management for both the Board and SM/HOS, and leads the appointment process for Board members and HOS. He also presides over the ABE, facilitating impartial assessments of directors' performance, remuneration competitiveness, and ongoing professional development.

2. The composition of the NRC fully adheres to the requirements of Paragraph 15.08A(1) of the MMLR of Bursa Securities and Practice 5.8 of the MCCG, as outlined below:

Name	Designation	Attendance at the Meeting
Dato' Ikmal, Chairman	SID	5/5
Puan Norliza, Member	ID	5/5
Datuk Syed Izuan, Member	ID	5/5
Sharmila, Member	ID	5/5

3. The Terms of Reference of the NRC is available on the Company's corporate website at www.kps.com.my.

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

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

Practice 5.9
The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	Please provide an explanation for the departure.
Explanation for departure	:	1. During FY2025, the KPS Board comprised two (2) female directors, Puan Norliza binti Kamarudin ("**Norliza**") and Ms Sharmila Sekarajasekaran ("**Sharmila**"), constituting 25% of the total directors. 2. Although the Board has not yet met the 30% benchmark for women directors, significant female representation is nevertheless ensured through the active and meaningful participation of Norliza and Sharmila on all four principal BCs. Their consistent involvement in these key BCs ensures that female perspectives are fully integrated into the Board's deliberations and decision-making processes. This active contribution not only enriches the quality of discussion within the committees but also supports the Board's commitment to diversity, objectivity, and robust governance. 3. The Board remains dedicated to further enhancing gender diversity in line with regulatory expectations and is confident that the current structure provides a strong foundation for balanced and well-informed decisions: i) BAC – Sharmila (member) ii) NRC - Norliza and Sharmila (both are members) iii) BGRC - Sharmila (Chairman) and Norliza (member) iv) SBC - Norliza (Chairman) and Sharmila (member) 4. Moreover, the SM team, which is responsible for overseeing the Company's day-to-day operations, demonstrates a commendable level of gender diversity, with women representing 43% of its composition (three out of seven members). These highly capable female leaders bring an array of perspectives and critical insights to the deliberations of the BCs and the Board, thereby enriching the quality of proposals and strategic decisions. 5. The Board is of the view that the strong presence of women within both the BCs and the SM team positions the Company to effectively achieve the objectives outlined by the MCCG. This robust gender diversity facilitates well-informed, objective decision-making by ensuring a wide range of viewpoints is

<table>
<tr><td rowspan="2"></td><td colspan="2">considered, ultimately serving the best interests of the Company and its stakeholders.</td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2">1. Following a comprehensive review of the BSP in November 2024, the Board has formally endorsed enhanced appointment criteria that explicitly prioritise the selection of a qualified woman director. This priority is set alongside rigorous standards relating to professional skills, proven competencies, and relevant industry experience.
2. The update made to the BSP is strategically aligned with the anticipated retirement of two (2) IDs who will reach the nine-year tenure limit by the end of December 2026 and in 2027. By instituting these criteria, the Board demonstrates a strong, proactive commitment to advancing gender diversity and leadership excellence in accordance with regulatory expectations and best governance practices. This approach not only fulfils compliance requirements but also ensures that future appointments will contribute meaningfully to the Board's collective expertise and the Company's long-term success.</td></tr>
<tr><td>Timeframe</td><td></td><td></td></tr>
</table>

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.

<table>
<tr><td>Application</td><td>:</td><td>Applied</td></tr>
<tr><td>Explanation on application of the practice</td><td>:</td><td>
1. The Board places significant importance on cultivating diversity within its membership, considering a comprehensive range of attributes, including skills, competencies, experience, industry background, gender, age, ethnicity, and nationality. This diversity is considered fundamental to maintaining the Company's competitive edge and facilitating well-informed, balanced decision-making.

2. Since 2015, the Board has adopted the Board Diversity Policy ("BD Policy"), which was subsequently enhanced on 30 May 2019 to encompass a broader range of diversity factors, including skills, expertise, experience, and independence, in addition to gender, age, and ethnicity. This comprehensive approach was implemented to further strengthen boardroom diversity and ensure KPS Berhad's sustained competitive advantage. Further revisions to the BD Policy were approved by the Board on 26 August 2022 and 28 August 2025 to ensure they remain relevant.

3. For 2025, the landscape of KPS Berhad's Board diversity is outlined as follows:

<table>
<tr><th colspan="3">DIVERSITY LANDSCAPE AT KPS BERHAD AS OF 31 DECEMBER 2025</th></tr>
<tr><td>1.</td><td>Gender</td><td>• 6 Male (75%)
• 2 Female (25%)</td></tr>
<tr><td>2.</td><td>Ethnicity</td><td>• 7 Malays
• 1 Indian</td></tr>
<tr><td>3.</td><td>Age Group</td><td>• 40-49: 1
• 50-59: 4
• 60 - 75: 3</td></tr>
<tr><td>4.</td><td>Nationality</td><td>• 8 directors are Malaysian</td></tr>
<tr><td>5.</td><td>Composition</td><td>• 7 NED
• 1 MD/GCEO</td></tr>
<tr><td>6.</td><td>Category of Directors</td><td>• 1 NINEC
• 1 NINED
• 5 INED (Inclusive of 1 SID)
• 1 MD/GCEO</td></tr>
<tr><td>7</td><td>Length of Tenure of IDs</td><td>i) Dato' Ikmal Hijaz – 8 years
ii) Norliza – 7 years 8 months
iii) Dato' Noorazman – 6 years
iv) Sharmila – 4 years 4 months
v) Datuk Syed Izuan – 3 years 4 months</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><td></td><td colspan="2">4. Furthermore, the SM Gender Diversity Policy (“SMGD Policy”), established in November 2021 and updated on 27 August 2024, serves as a strategic framework to guide Management in talent selection. The policy emphasises the importance of considering a balanced spectrum of skills, competencies, knowledge, and individual contributions to the Company’s success. Although the SMGD
5. While the SMGD Policy does not mandate specific gender quotas for the SM team, its principles have contributed to a gender-diverse leadership, with women comprising 43% of the SM at KPS Berhad. This outcome reflects the Company’s commitment to merit-based advancement while fostering an inclusive and equitable workplace.
6. The BD Policy and SMGD Policy can be found on the Company’s corporate website at www.kps.com.my.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3"><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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.

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.	
Application :	Applied
Explanation on application of the practice :	1. Demonstrating its dedication to high CG standards, the Board engaged an independent external consultant to oversee the ABE process in 2024. This initiative, aligning with Practice 6.1 of the MCCG, reflects the Board's commitment to objectivity and transparency, even though KPS Berhad is not classified as a 'large company' under the MCCG definition. 2. During the financial year under review, the 2025 ABE exercise was conducted internally and coordinated by the Company Secretary's office. The ABE was conducted based on the enhanced ABE Framework, reviewed by an external consultant, and formally endorsed by both NRC and the Board in November 2024. The enhanced ABE Framework also considered the Bursa CG Guide and the MCCG, ensuring adherence to prevailing best practices in CG. 3. Overall, the ABE aims to: • Deliver meaningful insights to the Board, BCs, and individual directors, establishing a robust foundation for the Board's ongoing advancement towards high performance. • Evaluate the Board's effectiveness based on nine (9) key Board Performance Criteria, ensuring alignment with the business of KPS Berhad and all relevant regulatory requirements and guidelines applicable to KPS Berhad. • Identify opportunities for enhancement and provide well-considered recommendations and strategies to strengthen the Board's performance and facilitate the achievement of its objectives. • Assess the effectiveness of individual directors, highlighting areas for further development and enhancement.

4. The scope of the ABE covers the following, aiming to elevate the overall performance of the Board:

   i) The Board as a whole
   ii) BCs (BAC, NRC, BGRC, BIRC and SBC)
   iii) Board Chairman
   iv) Individual directors
   v) Independent director’s Assessment of independence

5. The key performance criteria used for the evaluation of the Board are as follows:

   i) Board Fundamental Roles & Responsibilities;
   ii) Board Mix & Composition;
   iii) Board Dynamics;
   iv) Board Meeting Procedures;
   v) Board Portfolio Management;
   vi) Board Sustainability & ESG;
   vii) Board and Management Relationship;
   viii) Board Business Continuity Management; and
   ix) Board Stakeholder Management

ABE 2025

6. The ABE Report for 2025 was presented to the NRC and the Board by the Company Secretary in March 2026. The Board acknowledged the overall findings and concurred on the recommendations made to further enhance the performance of the Board, as summarised below:

   i) Collectively, the Board’s overall performance for 2025 across all evaluation scopes reflects notable advancements in effectiveness compared to 2024. The Board demonstrates exemplary leadership and governance, consistently discharging its responsibilities with unwavering integrity. It delivers strategic oversight of the utmost calibre, underpinned by effective engagement and collaboration among its members. These attributes collectively ensure well-structured and highly efficient decision-making processes.

   ii) Based on the 2025 ABE Results, the Board consistently operates at a level that exceeds expectations, aligning with the standards of a high-performing organisation. The evaluation revealed no significant concerns regarding its effectiveness. The Board’s core strengths are distinctly demonstrated in the following areas:

      a) Board Stakeholder Management
      b) Board Management Relationship
      c) Board Sustainability & ESG
      d) Board Fundamental Roles & Responsibilities

   As evidenced by the 2025 ABE results, the Board’s primary priorities for 2026 will centre on strengthening Business

	Continuity Management and driving strategic alignment between the Board and Senior Management on Sustainability and ESG initiatives. Furthermore, the Board will place significant importance on elevating its industry and business expertise, with a targeted commitment to advancing capabilities in emerging digital, IT, and artificial intelligence ("AI") domains. iii) In relation to the BC's performance (excluding BAC), the BCs delivered exemplary results, demonstrating excellence in member selection, leadership, and robust governance in risk management. The BCs consistently exercises strategic oversight and decisive leadership, significantly advancing the Board's objectives and contributing substantially to the Company's overall success. iv) Regarding the BAC's performance, the committee demonstrated exemplary oversight, internal controls, and comprehensive risk management in strict adherence to leading governance standards. The BAC's commitment to financial integrity, regulatory compliance, and achieving strategic objectives was consistently evident. Members of the BAC displayed advanced expertise and proficiency, delivering effective financial oversight, fostering transparency, and making significant contributions to strategic governance and decision-making. v) As for individual directors' performance, the NRC/Board were satisfied with each individual director's performance, where all Directors performed strongly, aligning well with evaluations from the Board and BC. No Directors scored below the Minimum Average, highlighting consistent leadership and dedication to the Company's strategic goals and governance. vi) In accordance with the Directors' Training and Development Framework, as approved by the Board on 28 November 2024, the NRC has undertaken a comprehensive review of the individual director performance evaluation outcomes and identified specific areas for further development. The NRC has accordingly recommended professional development programmes and targeted training initiatives, as appropriate, to enhance each director's competencies and to support ongoing performance excellence. vii) The results of individual director evaluations shall also form part of the justification for the NRC's recommendation to the Board for the re-election of directors at the AGM.
Explanation for departure :	

<table>
<tr><td colspan="3"><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome

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

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

Practice 7.1
The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application :	Applied
Explanation on application of the practice :	1. The NRC is entrusted with formulating and periodically reviewing the remuneration policies and benefits for directors and SM to uphold principles of fairness and equity. This mandate is designed to attract, motivate, and retain high-calibre individuals capable of steering the Group towards sustained excellence. In fulfilling this responsibility, the NRC rigorously evaluates a range of critical factors, including fiduciary obligations, required time commitment, the complexity of the business environment, prevailing market conditions, the Company's overall performance, and the specialised skills and experience expected of directors and SM. 2. In alignment with the Company's commitment to robust governance and market competitiveness, the Directors' Remuneration Policy ("DR Policy") was formally established on 26 February 2018. To ensure continued relevance and effectiveness, the DR Policy underwent comprehensive reviews on 7 June 2022 and 27 May 2024. Similarly, the Senior Management Remuneration ("SMR") Policy, instituted on 30 March 2018, was revised on 29 March 2022 and 28 August 2025 to ensure that remuneration benefits remain aligned with evolving market standards and the business's strategic 3. Both policies support the Company's strategic aims and business goals by promoting a high-performance culture at the Board and Senior Management levels. Their robust application helps attract, motivate, and retain top talent, ensuring sustainable growth and long-term organisational success. Details of the DR Policy and SMR Policy are available on the Company's website at www.kps.com.my.

4. The remuneration structures for the NEDs of KPS Berhad are as follows:

   i) NED Fees

	Fee Quantum (RM/Annum)
Chairman	150,000
Senior Independent Director	132,000
Member	120,000

   ii) NED Meeting Allowance

	Board	BAC	NRC, BGRC, BIRC AND SBC
Chairman of the Board/ Chairman of BCs	3,500	3,000	2,000
Member	2,500	2,000	1,500

5. The fees payable to NEDs shall be a fixed amount and shall not be linked to commissions, profit-sharing, or turnover percentages. All fees and benefits provided to NEDs are subject to annual approval by shareholders at the general meeting, in accordance with Section 230(1) of the CA2016.

6. Any proposed amendments to the directors' remuneration shall be thoroughly reviewed and recommended by the NRC, endorsed by the Board, and subsequently submitted to shareholders for approval at the general meeting. NEDs are not entitled to performance-based bonuses. The Company may, at its discretion, invite NEDs to participate in the Share Issuance Scheme or other short-term and/or long-term incentive plans, subject to compliance with the relevant provisions of the MMLR of Bursa Securities.

7. Regarding the remuneration of the MD/GCEO, it will be set out in the MD/GCEO's service contract. The MD/GCEO's remuneration package is designed to achieve an appropriate balance between fixed and performance-linked (variable) components. However, these packages shall expressly exclude commissions or remuneration based on a percentage of turnover.

8. The distribution of fixed and variable remuneration for target performance depends on the level of responsibility, the complexity of the role, and typical market practices. The MD/GCEO's remuneration will be deliberated and recommended by the NRC and subsequently approved by the Board.

9. Both the DR and SMR Policies can be assessed on the Company's corporate website at www.kps.com.my.

:

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

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

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

Practice 7.2
The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

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

Application :	Applied
Explanation on application of the practice :	1. Since the merger of Nomination Committee and Remuneration Committee in 2018, the NRC has maintained its dual mandate over both nomination and remuneration matters, with the same members overseeing and integrating these critical functions. This unified approach is intended to streamline processes, improve operational efficiency, and ensure consistent decision-making across both areas. 2. The Board of KPS Berhad has formally entrusted the NRC with the responsibility to establish, oversee, and periodically review the guiding principles and parameters governing all remuneration matters within the KPS Berhad Group. This delegation empowers the NRC to develop a robust remuneration framework that not only attracts and retains high-calibre directors and SM but also aligns their interests with the organisation's long-term objectives and values. 3. The NRC operates under its own TOR, which is structured to comply with the MMLR of Bursa Securities and the relevant practices outlined in the MCCG. The TOR was last reviewed on 27 August 2024 to ensure alignment with the latest MCCG Practices and Guidance, as well as the Internal Document Policy, which stipulates a review at least once every three (3) years to maintain its relevance. The NRC's TOR is accessible on KPS Berhad's website at www.kps.com.my. 4. The primary objectives of NRC concerning the remuneration function are as follows: • To review and recommend to the Board the remuneration framework and packages for the NED, including the Non-Executive Chairman and the MD/GCEO or the CEO of KPS Berhad.

- To ensure that the MD/GCEO or the CEO (where the CEO is not a director of the Company) of KPS Berhad is fairly rewarded for his/her performance as well as encourage him/her to act in ways that enhance the Company's long-term profitability, sustainability and value.

- To set the policy and/or guidelines on the remuneration framework, including reviewing and making recommendations to the Board on the remuneration of the directors, SM and Employees of KPS Berhad.

- To ensure that the remuneration benefits are determined based on the directors' and SM's merit, qualifications, and competence while considering the Company's operating results, individual performance, and comparable market statistics.

5. During the year under review, the NRC members are as follows:

Name	**Designation**
Dato' Ikmal, Chairman	SID
Norliza, Member	ID
Datuk Syed Izuan, Member	ID
Sharmila, Member	ID

6. Throughout 2025, five (5) NRC meetings were held, as listed below, and five (5) NRC Circular Resolutions ("CR") were passed for an urgent proposal:

   i) 15 January 2025
   ii) 13 February 2025
   iii) 14 March 2025
   iv) 24 March 2025
   vi) 18 August 2025

7. Below are the remuneration matters reviewed by the NRC throughout 2025:

   a) Proposed Performance Bonus for the year ended 31 December 2024 and 2025 Performance Increment of KPS Berhad;
   b) Proposed Performance Bonus for the year ended 31 December 2024 for the MD/GCEO of KPS Berhad;
   c) Proposed Renewal of Contract of the MD/GCEO;
   d) AGM Matters:
      i) Directors' Remuneration for 2024/2025;
      ii) Proposed Revision of the Directors' Fee Quantum for the Board Representative of KPS Berhad at Kaiserkorp Corporation Sdn Bhd

	e) Proposed Renewal of Employment Contract for the Chief Executive Officer of Century Bond Berhad f) Proposed Revisions of the Senior Management Remuneration Policy 8. The MD/GCEO and DCEOFCS attend NRC meetings, and other SM may be invited, when necessary, to contribute to in-depth discussions of proposals presented to the NRC. 9. The TOR of the NRC is accessible on the Company's corporate website at www.kps.com.my.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	1. The breakdown of remuneration for each individual director, detailing directors' fees, meeting allowances, benefits-in-kind, and other emoluments for the financial year ended 31 December 2025, is presented in the table below:

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’ Dr. Ahmad Fadzli bin Ahmad Tajuddin *(Appointed on 26 May 2025)*	Non-Executive Non-Independent Director	90.41	17.5	Nil	Nil	8.0	Nil	115.91	Nil	Nil	Nil	Nil	Nil	Nil	115.91
2	Dato’ Ts. Saipolyazan bin Mat Yusop	Non-Executive Non-Independent Director	120.0	43.0	Nil	Nil	13.2	Nil	176.2	Nil	Nil	Nil	Nil	Nil	Nil	176.2
3	Dato’ Ikmal Hijaz bin Hashim	Independent Director	132.0	59.0	Nil	Nil	64.7	200	455.7	20.0	4.0	Nil	Nil	Nil	Nil	479.7
4	Norliza binti Kamaruddin	Independent Director	120.0	42.0	Nil	Nil	14.9	200	376.9	30.0	4.0	Nil	Nil	Nil	Nil	410.9
5	Dato’ Noorazaman bin Abd Aziz	Independent Director	120.0	55.5	Nil	Nil	52.7	200	428.2	30.0	5.0	Nil	Nil	Nil	Nil	463.2
6	Sharmila Sekarajasekaran	Independent Director	120.0	59.5	Nil	Nil	6.3	200	385.8	20.0	4.0	Nil	Nil	Nil	Nil	409.8
7	Datuk Syed Izuan bin Syed Kamarulbahrin	Independent Director	120.0	60.5	Nil	Nil	17.1	200	397.6	20.0	5.0	Nil	Nil	Nil	Nil	422.6
8	Ahmad Fariz bin Hassan	Executive Director	N/A	N/A	1,895.0	495.0	180.8	663.0	3,233.8	Nil	Nil	Nil	Nil	Nil	Nil	3,233.8
9	Dato’ Setia Haris bin Kasim *(Resigned on 31 January 2025)*	Non-Executive Non-Independent Director	12.3	3.5	Nil	Nil	0.8	Nil	16.6	Nil	Nil	Nil	Nil	Nil	Nil	16.6

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 :	1. The Board acknowledges the importance of transparency and accountability in corporate governance, particularly regarding director and SM remuneration. However, it has been determined that disclosing individual remuneration details is not in the Group's or stakeholders' best interests. This position is based on protecting commercial interests, safeguarding employee privacy, and supporting talent retention in a competitive market. 2. In lieu of disclosing individual remuneration details, the Board presents aggregate remuneration information categorised in bands. This approach ensures stakeholders receive meaningful insights while upholding confidentiality and adhering to best practices in corporate governance. The Board remains dedicated to ensuring that remuneration policies are closely aligned with the Company's performance. Accordingly, the remuneration for the top five (5) senior management personnel is disclosed in bands of RM50,000, alongside the number of individuals within each band, as detailed below:
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.	
Measure :	1. The Board assures regulators and stakeholders that SM's remuneration framework is carefully designed to support both immediate and long-term business goals. It is structured to attract and retain talented individuals, while also motivating them to deliver and implement the Group's strategies effectively. 2. To this end, the Board undertakes a comprehensive and regular review of SM's remuneration, benchmarking against industry

Top Five (5) SM	**Number of SM**
From RM750,001 – RM800,000	1
From RM1,200,001 – RM1,250,000	1
From RM1,250,001 – RM1,300,000	1
From RM2,250,001 – RM2,300,000	1
From RM3,800,001 – RM3,850,000	1
Total SM	**5**

	standards and best practices, and ensuring that any incentives are directly linked to measurable performance indicators that support sustainable value creation. By doing so, the Company fosters a performance-driven culture that encourages accountability and prudent risk-taking, while safeguarding the interests of all stakeholders. 3. The Board believes that SM's current aggregate remuneration disclosure meets regulatory requirements and reflects best practice in corporate governance. This approach gives stakeholders a clear understanding of how remuneration is determined and its connection to the Group's performance. The Board remains dedicated to transparency and upholding strong governance standards, ensuring the framework supports the long-term interests of both the Group and its stakeholders.	
Timeframe :	Others	1. The Company will maintain its current practice of keeping the SM remuneration details confidential, in line with industry standards and legal requirements. This approach protects sensitive information, reduces the risks of unauthorised disclosure, and upholds the privacy of employees and executives. 2. The Board remains committed to responsible governance, regularly reviewing its practices to ensure they balance transparency with necessary discretion and comply with evolving regulations and stakeholder expectations.

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

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

Practice 8.3 - Step Up
Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application :	Not Adopted
Explanation on adoption of the practice :	

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

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.1
The Chairman of the Audit Committee is not the Chairman of the board.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">1. The BAC is chaired by Datuk Syed Izuan, who serves as an INED and is distinct from the Chairman of the Board. This separation of roles fosters the Board's objective, transparent deliberation on matters escalated by the BAC, thereby strengthening governance and oversight.
2. Datuk Syed Izuan brings a wealth of expertise to the BAC, being a member of the Malaysian Institute of Accountants ("MIA"), a fellow of the Association of Chartered Certified Accountants ("ACCA"), UK, a member of the ICDM, and the Malaysian Institute of Certified Public Accountants ("MICPA").</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3"><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.2
The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	1. The BAC's TOR has included prescribing a mandatory three-year cooling-off period for any former key audit partners of the Company's external audit firm before such an individual may be appointed as a member of the BAC, in line with Section 540.5 of the MIA By-Laws. This measure is intended to maintain the objectivity, independence, and effectiveness of the external auditors. 2. For the current reporting period, financial year under review, none of the BAC members has previously held the position of serving as a key audit partner for the Company's external auditors. 3. The BAC's TOR can be viewed on the Company's corporate website at www.kps.com.my.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.3
The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application :	Applied
	1. When assessing the suitability, objectivity, and independence of external auditors, the BAC adheres to the Company's Non-Audit-Related Services by External Auditors ("NARS Policy"), which was established on 29 August 2018 and subsequently revised on 27 May 2021 and 26 February 2024. In November 2025, the NARS Policy was updated to include pre-concurrence requirements by the International Ethics Standards Board for Accountants ("IESBA") Code and clarify permitted services for external auditors. 2. The NARS Policy provides that if the total engagement fee for external auditors performing non-audit related services exceeds 30% of the audit fees for the year. BAC's recommendation for the Board's approval is required to ensure that the independence and objectivity of the external auditors are not compromised. 3. On 29 March 2017, the Board established the External Auditors Assessment Policy ("EAA Policy") and subsequently updated on 27 November 2020 and 28 August 2023. In November 2025, the EAA Policy was merged with the NARS Policy and subsequently renamed as the Appointment and Assessment of External Auditors Policy ("AAEA Policy"). This consolidation was undertaken to streamline and unify all matters pertaining to external auditors within a single, comprehensive policy framework. 4. During this evaluation, the BAC ensures that the audit and non-audit services provided by external auditors throughout the financial year do not compromise their impartiality or independence as the Company's external auditors. 5. The annual evaluation of the external auditor equips the BAC with a systematic and disciplined approach to effectively

	oversee the external auditor's performance. The criteria used in this assessment include, but are not limited to, the following: i) Calibre of External Audit Firm; ii) Quality Processes/ Performance; iii) Audit Team; iv) Independence and Objectivity; v) Audit Scope and Planning; vi) Audit Fee; and vii) Audit Communications. 6. It has been the practice of the Company, in applying the principle of auditor independence, to ensure that the audit partner-in-charge of the Group is rotated at least every seven (7) financial years. 7. Current external auditor, Ernst & Young PLT is expected to provide written assurance in its presentation of the external auditors' report to the BAC in March 2026 that they had been independent throughout the audit engagement in accordance with the terms of all relevant professional and regulatory requirements in respect of the Group's audited financial statements for the financial year 2025.	
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 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

<table>
<tr><td>Application :</td><td>Adopted</td></tr>
<tr><td>Explanation on adoption of the practice :</td><td>1. Since 2024, the BAC has consisted solely of IDs exceeding the requirements of Paragraph 15.09(1)(b) of the MMLR of Bursa Securities, which stipulates that all BAC members must be Non-Executive Directors, with a majority being IDs.
<table>
<tr><th>Membership</th><th>Name</th><th>Designation</th><th>Attendance</th></tr>
<tr><td>Chairman</td><td>Datuk Syed Izuan</td><td>ID</td><td>6/6</td></tr>
<tr><td>Member</td><td>Dato’ Noorazman</td><td>ID</td><td>6/6</td></tr>
<tr><td></td><td>Sharmila</td><td>ID</td><td>6/6</td></tr>
<tr><td></td><td>Dato’ Ikmal Hijaz</td><td>ID</td><td>6/6</td></tr>
</table>
</td></tr>
</table>

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application : Applied

Explanation on application of the practice :

1. Recognising the increasing responsibilities placed on BAC members, the BAC values continuous training and professional development. This ensures that members stay informed about relevant changes in accounting and auditing standards, practices, and rules, enabling them to fulfil their roles effectively and contribute positively to the BAC.

2. Detailed disclosures on the training programmes attended by the BAC members during FY2025 were as follows:

Directors	Course/Training Attended	Date	Organiser
Dato' Ikmal Hijaz	The Shift in Boardroom Dynamic: Enhancing Governance and Strategic Leadership	25 April 2025	MAICSA
	ICDM Advocacy: E-invoicing for Directors – MyInvois & MyTax Portal Walkthrough with EY Malaysia	26 June 2025	ICDM
	In-House Training: Technology Update on Artificial Intelligence	8 July 2025	KPS Berhad
	Leading for Longevity: The Board's Role in Driving Innovation	10 July 2025	ICDM
	In-House Training: Understanding Carbon Tax, Implications, Readiness & Strategic Response for Malaysian Corporates &	17 July 2025	KPS Berhad

		Strengthening Corporate Integrity		
		MyMahir Workforce Strategies Workshop	22 September 2025	Bursa Malaysia
		Economic Indicators and Monetary Policy: A Guide for Business Leaders	6 October 2025	Asia School of Business
	Sharmila	In-house training: Technology Update on Artificial Intelligence	4 July 2025	KPS Berhad
		In-house training: Understanding Carbon Tax, Implications, Readiness & Strategic Response for Malaysian Corporates & Strengthening Corporate Integrity	17 July 2025	KPS Berhad
	Dato' Noorazman	Hijrah27 – Comprehensive Overview of the Hijrah Plan	19 February 2025	Malaysian Takaful Association
		MAP Part II: Leading for Impact	25 – 26 February 2025	ICDM
		Engagement with Chairpersons and CEOs of Insurers and Takaful Operators & Associations	25 March 2025	Bank Negara Malaysia
		Shariah Unplugged: Islamic Law by Datuk Prof. Dr Mohd Akram Laidin	8 April 2025	ID@INCEIF
		Maqasid Al Shariah: Methodology Issued by Prof. Dr Jasser Auda, ISTAC-IIUM	16 April 2025	ID@INCEIF
		The Shift in Boardroom Dynamic: Enhancing Governance and Strategic Leadership	25 April 2025	MAICSA
		E-Invoice Overview and MyInvoice Portal Guidance	27 May 2025	Ernst & Young
		FIDE Forum – The Influence of Board Culture on Corporate Performance	5 June 2025	Financial Institutions Directors' Education ("FIDE")
		Dialogue Session: Reshaping the Future – Islamic Economics for a Humane and Sustainable World	10 June 2025	INCEIF
		ICDM Advocacy: E-invoicing for Directors – MyInvois &	26 June 2025	ICDM

		MyTax Portal Walkthrough with EY Malaysia		
		SLM Board Cybersecurity Landscape Briefing	4 July 2025	Sun Life Malaysia
		Climate Risk Management: What Bank Directors Need to Know	7 July 2025	AICB (Asian Institute of Chartered Bankers)
		In-house training: Technology Update on Artificial Intelligence	8 July 2025	KPS Berhad
		In-house training: Understanding Carbon Tax, Implications, Readiness & Strategic Response for Malaysian Corporates & Strengthening Corporate Integrity	17 July 2025	KPS Berhad
		Annual Integrity, Governance and Anti-Corruption Training for Investment Panel (IP)	25 July 2025	Kumpulan Wang Persaraan (Diperbadankan) ("KWAP")
		KWAP Board and Investment Panel Training on Board Dynamics: Building Effective, Ethical and High-Performing Boards	7 August 2025	KWAP
		AI and the Future of Business Education: Adapt Wisely or Become Obsolete	20 August 2025	International Centre for Education in Islamic Finance ("ID@INCEIF")
		Leadership Risk and Compliance Awareness 2025 • Insider Trading • Anti Money Laundering	23 September 2025	KWAP
		Quarterly Islamic Banking Webinar Series with Dubai Islamic Bank: Sustainable Finance & Responsible Investment Framework	23 October 2025	INCEIF University & Dubai Islamic Bank ("DIB")
		KWAP Investment Workshop: Investment Opportunities, Voices from Investors and Industry	29 October 2025	KWAP
		Directors Training on Sustainability	31 October 2025	KPMG

	ASEAN Capital Markets Forum (ACMF) International Conference	6 November 2025	Securities Commission Malaysia
	FIDE Forum x ASB Governance Programme	10 November 2025	Asia School of Business
Dato’ Syed Izuan	AMLA 2001: Risk, Challenges & Vulnerabilities Towards Risk-Based Approach for Directors	15 January 2025	Hong Leong Assurance Holdings Berhad (“HLAH”) Group
	HLFG Group In-House Directors’ Training - Moving from the recommendations of the Task Force on Climate-related Financial Disclosures to International Financial Reporting Standards ("IFRS") S1 and IFRS S2	5 March 2025	Hong Leong Financial Group Berhad (“HLFG”)
	Technisights Series: AI Monitor – Exploring Trends, Innovations, and AI Challenges	25 June 2025	ACCA
	In-house training: Technology Update on Artificial Intelligence	4 July 2025	KPS Berhad
	In house training: Understanding Carbon Tax, Implications, Readiness & Strategic Response for Malaysian Corporates & Strengthening Corporate Integrity	17 July 2025	KPS Berhad
	How to Measure Sustainability Performance Optimally	17 July 2025	ACCA
	Managing Teams for High Performance	21 July 2025	ACCA
	2025 Economic Power Play: Resilience, Trade & Global Foresight	22 July 2025	ACCA
	Training: AI-Powered Personal Branding & Presentations with Canva	30 September 2025	ACCA
	Navigating Succession and Workplace Dynamics in Family-Run Businesses	18 November 2025	ACCA
	Media training	27 November 2025	Sapura Industrial Berhad (“SIB”)

	AI-Powered Leadership Conference Training	2 December 2025	SIB

3. In compliance with Paragraph 15.20 of the MMLR of Bursa Securities, the NRC and the Board annually evaluate the term of office and the performance of the BAC and its members. The assessment aims to determine the financial literacy of BAC members, their ability to ask probing questions, their competence in handling complex issues, and their skills and knowledge to fulfil their duties under the TOR.

4. With respect to the financial literacy of the BAC members, the Board acknowledge that each member possesses the necessary financial acumen and expertise. All members are proficient in reading, analysing, and interpreting the Company's financial statements, including the statements of financial position, comprehensive income, changes in equity, and cash flows, as well as the accompanying notes, cost accounting records, budgets, and management discussion and analysis. The duties and responsibilities of BAC members are clearly defined and governed by the BAC's TOR, in accordance with the MMLR of Bursa Securities and Principle B of the MCCG.

5. Further details regarding the BAC's performance in discharging its responsibilities in 2025 can be found in the BAC Report in the 2025IAR.

Explanation for departure :	

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

Measure :		
Timeframe :		

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

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

Practice 10.1
The board should establish an effective risk management and internal control framework.

Application :	Applied
Explanation on application of the practice :	1. The Board remains steadfast in its commitment to upholding a robust and effective risk management and internal control framework and procedures covering financial, operational, regulatory, compliance, governance, and sustainability. This commitment aims to safeguard shareholders' investments, protect the Group's assets, and ensure the reliability of financial statements. 2. Given the above, the Group has established an Enterprise Risk Management ("ERM") framework in 2013, which underwent revisions in 2018 and was further strengthened in August 2020 to align with the latest ISO 31000:2018 International Standard of Risk Management - Principles and Guidelines. 3. The ERM framework was enhanced to incorporate the processes for identifying, assessing, and managing climate-related risks in line with establishing the TCFD framework for climate-related financial disclosure within the KPS Berhad Group on 28 August 2023. 4. The rationale for the enhancement was to proactively identify, assess, and manage key risks at an optimal level, while accounting for evolving risk profiles influenced by changes in business strategies, the external environment, and/or the regulatory landscape. Aligned with the Group's commitment to delivering sustainable value, the ERM framework provides a comprehensive, organised approach to risk management across the entire entity. 5. As part of the ERM framework, the Group has also prioritised Corruption Risk Management to strengthen ethical business practices and ensure compliance with anti-corruption laws, including the MACC Act 2009. This includes implementing corruption risk assessments, monitoring controls, and training programmes to mitigate bribery and fraud risks. 6. Additionally, Cybersecurity Risk has been integrated into the risk management process, recognising the increasing threats of data breaches, cyberattacks, and regulatory obligations

<table>
<tr><td></td><td colspan="2">under the Cyber Security Act 2024. The Group continues to enhance its cybersecurity governance, incident response capabilities, and IT risk assessments to safeguard digital assets and business operations.
7. The Group has instituted and adopted a structured Internal Control Framework ICF of KPS Berhad (“KPS Berhad-ICF”) to enhance the Group’s governance process and internal control design. On 28 May 2021, the Board approved the adoption of KPS Berhad-ICF across the KPS Berhad Group, establishing a uniform internal control structure to align with the Group’s strategic objectives. The KPS Berhad-ICF was further enhanced in 2023 to incorporate the latest COSO framework updates in line with COSO’s interpretive report released on 30 March 2023.
8. To further strengthen resilience, the Business Continuity Management (“BCM”) Policy was updated and approved by the Board in November 2024. The BCM framework integrates Business Continuity Plan, Crisis Management Plan, Crisis Communication Plan and Disaster Recovery Plan, ensuring a structured response mechanism for unforeseen events. These plans define roles, responsibilities, and escalation protocols to mitigate potential disruptions while enabling effective recovery strategies.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3"><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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

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

Practice 10.2
The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application :	Applied
Explanation on application of the practice :	1. The Board of KPS Berhad is informed and advised on all aspects of ERM, including significant key risk areas and emerging risks as they arise. The Group adheres to the ISO 31000:2018 International Standards of Risk Management – Principles and Guidelines. The approved ERM Framework incorporates continuous review, tracking, and monitoring of crucial mitigation strategies, as well as updates on Key Risk Indicators (KRIs) for identified critical risk areas. 2. The main aspects of risk management and internal control systems are as outlined below: i) The ERM framework includes a formalised reporting structure that comprises the BGRC, chaired by an ID. The primary roles of BGRC are to provide oversight and advice to the Board on risk management, internal control systems, and governance matters, through various policies, TORs, processes, initiatives, and compliance with applicable laws and regulations. This is to ensure effective management of regulatory compliance throughout the Group. The BGRC deliberates, recommends and reports on all ERM and compliance-related matters to the Board. The BGRC is supported by the RGWC, which is chaired by the MD/GCEO or the DCEOFCS, in the absence of the MD/GCEO. ii) The RGWC meets quarterly and monitors the consistent enforcement of the ERM Policy, Compliance Policy and IGU Policies. It also reviews and recommends to the BGRC to endorse the risk parameters, risk appetite, risk profiles, risk action plans and compliance with key risks, status, and action plans. iii) The BGRC and RGWC are governed by their own TOR, which outlines the objectives, membership, meeting procedure, responsibility and authority.

	3. The adequacy of the risk management framework is regularly self-reviewed to ensure its effectiveness. ERM initiatives are continuously reviewed, tracked, and monitored to ensure proper implementation of key mitigation strategies. Updates on KRIs for identified key risk areas are provided to strengthen risk governance. Since 2019, these initiatives have been expanded to subsidiaries, where key risk areas are identified and assessed in collaboration with key management and EXCO members, with subsequent approval from the subsidiary Board. 4. Recognising the increasing threats of data breaches, cyberattacks and evolving regulatory obligations, Cybersecurity Risk has been fully integrated into the risk management process. The Group continues to enhance its cybersecurity governance, incident response capabilities and IT risk assessments to safeguard digital assets and business operations while ensuring compliance with the Cyber Security Act 2024. 5. The Group has also cultivated a proactive and resilient risk culture by consistently scanning the emerging risk landscape to identify potential threats that may impact long-term strategic objectives, ranging from technological shifts to evolving sustainability regulations. 6. All assumptions made during the decision-making process must be investigated, verified and linked to mitigation plans. These assumptions are tested through simulations to validate their effectiveness and to ensure informed decision-making. Additionally, the simulation process is used to optimise opportunities that maximise shareholder value. 7. In addition, the Group actively implemented ERM initiatives based on the approved ERM Framework. This involves continuously reviewing, tracking, and monitoring the implementation of key mitigation strategies and providing updates on Key Risk Indicators (“KRIs”) for the identified key risk areas. In 2019, the ERM initiatives were expanded to include subsidiary companies, during which key risk areas were identified and assessed in collaboration with the respective subsidiary key management and EXCO, and subsequently approved by the subsidiary Board. 8. The Internal Audit Department (“IAD”) is responsible for providing independent assurance on the effectiveness of risk management processes, including regular audits to assess compliance and adherence to ERM protocols, as outlined in item 7.4 of the Company’s ERM framework. 9. Further details on the ERM framework and its effectiveness can be found in the Statement of Risk Management and Internal Control section of the Company’s 2025IAR.

<table>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3"><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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

<table>
<tr><td>Application</td><td>:</td><td>Adopted</td></tr>
<tr><td>Explanation on adoption of the practice</td><td>:</td><td>
1. The Board Risk and Management Committee (BRMC), initially established in 2011, has undergone a series of strategic enhancements to reflect its evolving scope and responsibilities. On 29 August 2019, it was re-designated as the Board Risk and Compliance Committee (BRCC). Subsequently, on 1 January 2021, the Committee was renamed the Board Governance and Risk Committee ("BGRC") to coincide with the formation of the Integrity and Governance Unit at KPS Berhad. These changes underscore the BGRC's broadened mandate, which now encompasses oversight of integrity and governance matters in addition to its established responsibilities for regulatory compliance, internal controls, risk management, and governance frameworks. Further, on 27 February 2023, the BGRC's TOR were expanded to include cybersecurity oversight, in line with Guidance 10.2 of the MCCG.

2. The BGRC is supported by the Risk and Governance Working Committee ("RGWC") at the management level, chaired by the MD/GCEO or, in his absence, the DCEOFCS. The RGWC meets quarterly to ensure consistent enforcement of the ERM, Compliance, Integrity, Governance and Cybersecurity matters/ policies. It also reviews and recommends risk parameters, risk appetite, risk profiles, risk action plans, and compliance key risks, status, and action plans to the BGRC.

3. During the FY2025, the BGRC comprises four (4) members, the majority of whom are IDs as follows:
<table>
<tr><th>Name</th><th>Designation</th></tr>
<tr><td>Sharmila, Chairman</td><td>Independent Director</td></tr>
<tr><td>Dato' Noorazman, Member</td><td>Independent Director</td></tr>
<tr><td>Norliza, Member</td><td>Independent Director</td></tr>
<tr><td>Dato' Ts. Saipolyazan, Member</td><td>Non-Independent Director</td></tr>
</table>
</td></tr>
</table>

4. The BGRC members possess sound judgement, objectivity, independent attitude, management experience, professionalism, integrity and good knowledge of the industry in which the Group operates.

5. The Board has ultimate responsibility for risk oversight, risk management, integrity and governance, compliance oversight and cybersecurity. Amongst the scopes and responsibilities of BGRC as per its TOR are as follows:

   a) Risk Management
      - Oversee KPS Berhad and its subsidiary companies' risk management systems, practices and procedures to ensure the effectiveness of risk identification, management, and compliance with internal guidelines.

   b) Compliance
      - Ensure effective management of regulatory compliance throughout the Group and provide oversight and advice to the Board in respect of compliance with the applicable laws and regulations.

   c) Integrity and Governance
      - Monitoring the implementation of IGU and assisting the Board in overseeing the overall issue of corruption, fraud, malpractice, and unethical conduct within the company, by the formulation of a strong governance, ethical and integrity culture within the Group.

   d) Cybersecurity
      - Oversees the cybersecurity program of an information system or network, including managing information security implications within the organisation, specific program, or other area of responsibility, to include strategic, personnel, infrastructure, requirements, policy enforcement, emergency planning, security awareness, and other resources.

6. During the financial year under review, the BGRC met four (4) times.

7. A copy of the BGRC TOR is available on the Company’s website at www.kps.com.my.

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 :	1. The internal audit ("IA") function of the Company is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight on effectiveness of governance, risk management and internal controls processes involving the strategic objectives, financial and operating information, operations, safeguarding of assets and compliance with laws, regulations, policies, procedures and contracts. 2. The IA conducts an independent review of the adequacy, efficiency and effectiveness of risk management, internal control and governance processes and monitors compliance with policies and procedures implemented by Management at the Group. Additionally, the IA provides the BAC with reasonable assurance that no material issues or significant deficiencies have been identified, posing a high risk to the overall internal control system under review. The annual risk-based internal audit plan, covering internal audit coverage, scope of work, and the results of IA's KPIs, is presented to the BAC for consideration and approval. 3. The BAC conducts periodic reviews of the activities and performance of the IA to ensure its adequacy and independence in fulfilling its role. The reviews align with the guidelines of the Institute of Internal Auditors ("IIA"), specifically the International Professional Practice Framework ("IPPF") on Internal Auditing and relevant regulations. To ensure the complete discharge of the IA's responsibilities, the BAC assesses: • The appointment and removal of the Director of Internal Audit ("DIA"). • The adequacy of the IA's scope, competency, experience, and resources of the IA function. • Annual review of the IA Charter. • Review of the BAC TOR once every three (3) years. • Review the IA Annual Plan. • Setting of CKIs/KPIs for the IA. • Review and monitor the Status of Implementation of the Audit recommendations. • Assess the IA and DIA functions, which are responsible for regularly reviewing the effectiveness of the Group's risk management, control, and governance processes.

	4. On a quarterly basis, the IA provides the BAC with reports detailing significant internal audit findings and recommendations. It is the duty of the relevant management to ensure the proper implementation of corrective actions for reported weaknesses. Monthly monitoring of the deadlines set by the relevant management for corrective actions takes place, and any unjustified delays must be presented to the BAC for approval. 5. To stay abreast of professional advances, industry developments, and regulations, IA personnel regularly attend conferences, training sessions, and knowledge-sharing initiatives within the Group 6. In accordance with the BAC TOR, the BAC had, on 23 February 2026, conducted an annual assessment of the performance of the Internal Audit Department ("IAD") by reviewing the 2025 IA Balanced Scorecard and completing the yearly IA evaluation questionnaire. 7. The BAC had on 21 November 2023 approved the revision to the KPS Berhad-ICF to incorporate the latest COSO framework updates in line with COSO's interpretive report released on 30 March 2023. 8. The Chairman of BAC also holds a pre-BAC meeting with the IA Director prior to the BAC meeting to discuss key internal controls and significant areas of concern in the course of IA work and findings.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	1. During the financial year under review, the Internal Audit (“IA”) Department (“IAD”) was headed by Khairul Ridzwan bin Azizan (“Khairul”), and assisted by one (1) Manager, three (3) Internal Auditors, and three (3) Assurance Officers at subsidiary companies. Khairul is an ACCA member with over 17 years of experience in internal auditing across international conglomerates and Malaysian public-listed companies. 2. To enhance independence, the DIA and IA personnel have declared in their signed forms to the Company that there is no potential conflict of interest arising from any external employment, business, or private interest. 3. The IAD operates under an IA Charter approved by the Board, which defines its responsibilities, authority, and scope within the Group. Although the DIA oversees both Internal Audit and Risk Management, he prioritises Internal Audit interests when acting as Head of IA, ensuring clear segregation of duties, roles, and activities between the two functions. 4. Governance mechanisms introduced in 2021 and incorporated into the IAC safeguard the independence of Internal Audit, with objective communication to the BAC and separate reporting to the BGRC. These measures ensure that IA activities and resources remain distinct from Risk Management and, in cases of potential conflicts of interest, the BAC may seek external validation to maintain IA’s independence. 5. During the year, the BAC satisfied that the IA function adhered to the IIA’s professional standards and Code of Ethics, as well as the IPPF and the MCCG guidelines set by the SC.
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 12.1

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

Application :	Applied
Explanation on application of the practice :	1. KPS Berhad is committed to fostering strong, transparent, and constructive relationships with our internal and external stakeholders, including shareholders, employees, customers, regulators, business partners, and the communities in which we operate. Our stakeholder engagement practices are guided by a comprehensive Communication Policy that ensures consistency, integrity, and accountability across all our interactions. 2. The Group's Communication Policy sets clear guidelines for timely, accurate, and accessible information-sharing while upholding confidentiality and regulatory compliance. It outlines the channels through which we engage stakeholders, including investor briefings, employee engagement initiatives, customer feedback platforms, regulatory discussions, and sustainability dialogues. 3. Through a structured and policy-driven approach to stakeholder engagement, we reinforce trust, enhance corporate resilience, and uphold our commitment to governance excellence and sustainable growth. 4. When dealing with the investment community, the Company is committed to fostering transparent, timely and consistent communications, recognising the importance of accountability and the avoidance of selective dissemination when disclosing information on the Group's business activities and prospects to its stakeholders. To facilitate effective communication with this audience, the Company has an Investor Relations Policy ("IR Policy") in place, outlining principles and various communication platforms for disseminating information. This ensures that the Board and Management can consistently communicate effectively with shareholders and other stakeholders via the following multiple channels of communication: i) The IAR, Sustainability Report and relevant circulars were dispatched to shareholders and published on the Company's website;

	ii) Issuance of various disclosures and announcements, inclusive of the quarterly financial performance of the Group to Bursa Securities; iii) A series of engagements through IR programmes such as analyst and investor briefings, and iv) The AGM/EGM. 5. Furthermore, the Company consistently refreshes its corporate website at www.kps.com.my, ensuring convenient access to corporate information and providing a platform for collecting stakeholder feedback. In addition, the Company has established an integrated investor relations ("IR") portal on the corporate website through which shareholders can remain updated on the latest information about the Group, such as corporate announcements, quarterly financial results, stock charts, dividend payments and interactive IAR, to enable them to make informed investment decisions. It is also a channel for shareholder feedback and a platform to ensure their concerns are understood and questions answered. 6. Guided by the IR Policy, the Company has an IR Strategy that drives effective two-way engagement between KPS Berhad, the investment community, and other stakeholders. The strategy is based on a comprehensive approach to providing factual, adequate disclosure of KPS Berhad's business prospects through various communication channels, enabling shareholders and investors to make informed investment decisions. 7. The Board has mandated the Management to roll out various IR programmes, amongst others: i) Briefing sessions and presentations to the investment community comprising analysts, investment managers (including one-on-one), strategic shareholders, and minority shareholders at general meetings; ii) Participation in non-deal roadshows organised by research houses; iii) Plant visits to subsidiaries, targeting participants from analysts and fund managers; and iv) Engagement with the media via centralised strategic communication channels.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 12.2

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

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">1. In providing more comprehensive disclosures beyond past financial performance, KPS Berhad has published its fourth IAR for its financial year ended 31 December 2025. The IAR provides an account of how the external environment and outlook, the business model and strategy, financial statements and approach to material matters, corporate governance, and risk management, are linked to the Group's value creation.
2. The IAR adopts the Principles of the International <IR> Framework, comprising the six (6) Capitals, seven (7) Guiding Principles and eight (8) Content Elements as follows:
<table>
<tr><th>6 Capitals</th><th>7 Guiding Principles</th><th>8 Content Elements</th></tr>
<tr><td>1) Financial
2) Manufactured
3) Intellectual
4) Human
5) Social
6) Natural</td><td>1) Strategic focus and future orientation
2) Connectivity of information
3) Conciseness
4) Reliability and completeness
5) Consistency and comparability
6) Materiality
7) Stakeholder relationships</td><td>1) Organisational overview and external environment
2) Governance
3) Business model
4) Risks and opportunities
5) Strategy and resource allocation
6) Performance
7) Outlook
8) Basis of preparation and presentation</td></tr>
</table>
</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3"><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome

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

Practice 13.1

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

Application :	Applied	
Explanation on application of the practice :	1. The AGM serves as the primary platform for shareholder engagement, enabling the Company to present its business progress and address questions from shareholders, proxies, and corporate representatives. In line with Practice 13.1 of the MCCG and the requirements set out in the Company's Constitution, MMLR of Bursa Securities, and CA2016, the 2025 IAR and the Notice of the 48th AGM in 2025 were issued 28 days prior to the meeting. 2. The notice includes explanatory notes for all proposed resolutions, providing shareholders with detailed insights into their significance and impact in accordance with Guidance 13.1 of the MCCG. 3. Additionally, the notice was published in the local newspaper, The Star, and made available on the KPS Berhad website at www.kps.com.my.	
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 13.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	1. The Board acknowledges its responsibility as the steward of the Company to continuously engage with shareholders and provide meaningful responses to their questions, as shareholders regard general meetings as one of the primary avenues for direct communication with the Board. 2. All eight (8) Directors, the Company Secretary, Senior Management, and the external auditors were present at the 48th AGM held on 20 May 2025. In contrast, at the unscheduled EGM held on 28 July 2025, seven (7) Directors were physically present, while one (1) Director was unable to attend due to prior official commitments.
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	1. The absence of one (1) director at the Company's EGM on 28 July 2025 was solely attributable to the unscheduled nature of the meeting, which conflicted with a prior official engagement. The Board wishes to assure that this absence was an exception rather than the norm, as demonstrated by the consistent full attendance of all directors at scheduled AGM, including the recent 48th AGM held on 20 May 2025. 2. The Company is committed to upholding the highest standards of corporate governance, recognising that robust director participation at all general meetings is fundamental to effective shareholder engagement and informed decision-making. 3. To further strengthen this commitment, the Company Secretary will reinforce the significance of director attendance at all general meetings, with particular emphasis on EGM, which may be called at short notice. 4. These measures aim to minimise the risk of future absences and reinforce the Company's dedication to exemplary

	governance practices, transparency, and accountability to its shareholders and regulatory authorities.	
Timeframe :		

Intended Outcome

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

Practice 13.3
Listed companies should leverage technology to facilitate–

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

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	1. Whilst the SC permits Listed Companies the flexibility to convene their general meetings in either a physical or hybrid format, the Board, following a comprehensive study comparing both approaches, resolved to hold the 48th AGM on 20 May 2025 and the EGM on 28 July 2025 as physical meetings. 2. Based on the shareholding analysis conducted by the Management, the Board noted that the profile of KPS Berhad's shareholders, who are predominantly Malaysian residents, resides mostly in the Klang Valley, aligning with the regulatory emphasis on ensuring accessible and meaningful shareholder participation. This demographic concentration makes organising physical meetings both practical and convenient, as it caters directly to the needs and locations of the majority of shareholders. In doing so, the Company adheres to the regulators' principles of inclusivity and effective engagement without imposing undue logistical or technological barriers. 3. Conversely, companies characterised by a more internationally dispersed shareholder base may justifiably require a hybrid meeting format to meet regulatory expectations for equitable access across different geographies. 4. Notwithstanding the above, and to promote active shareholder participation at both the AGM and EGM, KPS Berhad remains steadfast in its commitment to harnessing cutting-edge information technology. For instance, shareholders may ask questions electronically before the meeting via the message box on the share registrar's platform. All questions received from shareholders before the meetings will be published and answered by management during the question-and-answer sessions at the AGM/EGM.

<table>
<tr><td rowspan="2"></td><td colspan="2">5. In addition, in compliance with Paragraph 8.29A of the MMLR of Bursa Securities and to ensure the efficient conduct of polling proceedings all resolutions presented at the AGM and EGM were duly determined via poll voting. Prior to the commencement of polling, a comprehensive video guide outlining the voting procedures was shown at each meeting, ensuring shareholders were well-informed and facilitating a seamless polling experience.

6. To uphold the highest standards of transparency and integrity, Boardroom Share Registrars Sdn Bhd (“Boardroom”) was appointed as Poll Administrator, while Sky Corporate Services Sdn Bhd served as Independent Scrutineer to verify the poll results. The Chairman formally declared the poll outcomes at the conclusion of each meeting.

7. All decisions on resolutions tabled at the AGM/EGM were announced to Bursa Securities and published on the corporate website on the same day as the AGM/ EGM guaranteeing equitable communication to all shareholders. The voting results were disclosed, including the number of votes for and against all resolutions.</td></tr>
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<tr><td colspan="3"><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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

Practice 13.4
The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.	
Application :	Applied
Explanation on application of the practice :	1. The Company is committed to fostering robust, meaningful engagement between the Board, SM, and shareholders at its general meetings, as consistently demonstrated by the Chairman's strong advocacy of active dialogue. At the 48th AGM, the MD/GCEO delivered a comprehensive presentation on the Company's Business Review and Prospects, outlining long-term strategic initiatives and key performance highlights across financial and non-financial achievements. 2. Furthermore, the MD/GCEO and SM engaged directly with shareholders in informal settings before, during, and after the meeting to solicit their perspectives and address their concerns, thereby reinforcing a culture of openness and transparency. 3. At the 48th AGM and EGM, all shareholder queries were comprehensively addressed and documented in the official meeting minutes. For questions that could not be answered during the live session due to time constraints, written responses were subsequently published on the KPS Berhad website, ensuring full transparency and accessibility for shareholders. 4. Demonstrating a strong commitment to meaningful shareholder engagement, KPS Berhad has also established an integrated IR portal on the KPS Berhad corporate website. This platform enables shareholders to submit questions and provide feedback beyond the AGM, thereby fostering ongoing, open communication with the Company.
Explanation for departure :	

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<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome

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

Practice 13.5

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

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

Application :	Applied
Explanation on application of the practice :	1. The Company conducted its 48th AGM on 20 May 2025 and the EGM on 28 July 2025 in a physical format, in line with Paragraph 8.27A of the MMLR. While remote shareholders' participation was not implemented, the Company enabled premeeting electronic questions and answers ("Q&A") for shareholders, and conducted on-site electronic polling, with an independent scrutineer appointed to verify the results. 2. A physical format was chosen to ensure a centralised venue where shareholders, the Board and SM are present in person. This approach is firmly grounded in the profile of KPS Berhad's shareholders, who are predominantly Malaysian and reside primarily in the Klang Valley, aligning with the regulatory emphasis on ensuring accessible and meaningful shareholder participation. This demographic concentration makes organising physical meetings both practical and convenient, as it caters directly to the needs and locations of most shareholders. In doing so, the Company adheres to the regulators' principles of inclusivity and effective engagement without imposing undue logistical or technological barriers. 3. All shareholders attending the meetings will have the opportunity to engage directly with the Board and SM, enabling real-time, interactive participation through open question-and-answer sessions. This direct interaction is a key regulatory expectation, as it supports transparent dialogue, gives shareholders a platform to voice their views and raise concerns, and ensures immediate responses. The physical format ensures that such exchanges are not hindered by the limitations of current online platforms, which may not support robust, two-way communication or may exclude participants who lack digital literacy or reliable internet access. 4. During both the 48th AGM and the EGM, all questions from shareholders were addressed openly, ensuring that every enquiry was audible and visible to all participants, either

	through projection or direct communication. This approach fostered transparency and meaningful dialogue, reflecting the Company’s commitment to openness and visibility, in line with regulatory standards that emphasise transparent and equitable treatment for all shareholders. 5. To further encourage active participation, KPS Berhad is dedicated to leveraging advanced information technology. Shareholders can submit questions electronically ahead of the meetings via the message box on the share registrar’s platform. All questions received before the AGM and EGM are published and addressed by management during the question-and-answer sessions, ensuring comprehensive engagement and responsiveness. This process, combined with the physical meeting format, guarantees inclusivity, effective engagement, and equitable access, thereby upholding the principles established by the SC and broader regulatory expectations.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 13.6

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

Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.		
Application :	Applied	
Explanation on application of the practice :	1. The minutes of the AGM held on 20 May 2025 and the EGM held on 28 July 2025 were published on the KPS Berhad website on 7 July 2025 (26 business days after the AGM) and 12 August 2025 (9 business days), i.e., not later than 30 business days after the meeting.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

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