

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0293
COMPANY NAME : KJTS GROUP BERHAD
FINANCIAL YEAR : December 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>To ensure effective discharge of its stewardship role, the Board has established four (4) Board Committees, namely Audit and Risk Management Committee ("ARMC"), Nominating Committee ("NC"), Remuneration Committee ("RC") and Long-Term Incentive Plan Committee, to support the Board with oversight functions in selected responsibilities areas. The Board Committees are guided by their respective Terms of Reference ("TOR") approved by the Board. The Board Committees report to the Board on matters considered and their recommendations thereon. The ultimate responsibility for the final decision on all matters, however, lies with the Board.</p> <p>The Board Charter and TOR for all Board Committees are published on the website of the Company at www.kjts.com.my.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is led by Puan Azura Binti Azman. Puan Azura Binti Azman was appointed to the Board on 21 November 2022 as the Independent Non-Executive Chairman of the Company.</p> <p>As the Chairman of the Board, she is responsible for providing overall leadership to the Board and ensuring the effectiveness and promoting the highest standards of integrity, probity and corporate governance throughout the Group. Her responsibilities, amongst others include:</p> <ol style="list-style-type: none"> a. setting the Board agenda, with the assistance of the Company Secretary and the management and ensuring that Board members receive complete and accurate information in a timely manner; b. leading the Board in the adoption and implementation of good corporate governance practices in the Group; c. leading Board meetings and discussions and acting as a facilitator and ensuring appropriate level of interaction among Board members; d. encouraging active participation at Board meetings and allowing dissenting views to be freely expressed; e. promoting constructive and respectful relations between Directors and senior management; f. ensuring compliance with all relevant regulations and legislation; and g. representing the Board to stakeholders and ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole. <p>The detailed responsibilities of the Chairman are set out in the Board Charter, which is available on the Company's website at www.kjts.com.my.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's Chairman and Group Managing Director ("GMD") are held by two (2) different individuals to ensure that there is a clear and proper balance of authority and power.</p> <p>Puan Azura Binti Azman, the Independent Non-Executive Chairman, is primarily responsible for ensuring Board effectiveness and promoting the highest standards of integrity, probity and corporate governance throughout the Group.</p> <p>Mr. Lee Kok Choon, the GMD, is primarily responsible in making major corporate decisions, managing the overall operations and resources of the Group, ensure the effective implementation of the Group's strategic plan and policies established by the Board, acting as the main point of communication between the Board and corporate operations and being the public face of the Group.</p> <p>The roles and responsibilities of the Chairman and GMD are set out in the Board Charter, which is available on the Company's website at www.kjts.com.my.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	The Company has different individuals for the role of Chairman of the Board and the Chairman of its Board Committees. Puan Azura Binti Azman, an Independent Non-Executive Chairman, is not a member of any of the Board Committees and does not participate in any of the Board Committees' meeting by way of invitation.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>In carrying out its duties, the Board is supported by two qualified and competent Company Secretaries, namely, Joanne Toh Joo Ann and Wong Wai Foong during the financial year ended 31 December 2023. Both Company Secretaries fulfill the requirements of Section 235(2) of Companies Act 2016. Joanne Toh Joo Ann is a Licensed Secretary by the Companies Commission of Malaysia, whilst Wong Wai Foong is a member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). On 25 April 2024, Wong Wai Foong resigned as the Company Secretary and Catherine Haw Woan Shi was appointed as the Company Secretary on the same date. She is a member of MAICSA and fulfills the requirements of Section 235(2) of Companies Act 2016.</p> <p>As counsels to the Board, the Company Secretaries possess the knowledge and experience to carry out their duties which have evolved from merely advising on administrative matters to now apprising Directors on the latest regulatory developments relating to corporate governance. Both the Company Secretaries also facilitate the flow of information from Management to the Board and ensure that Directors receive complete meeting materials in a timely manner.</p> <p>The Company Secretaries are responsible for ensuring the Board and Board Committee meetings procedures are in place, including disseminating complete and accurate meeting materials in a timely manner to allow the Board members to have sufficient time to review the relevant documents prior to meetings. The Company Secretaries also facilitate the communication of key decisions and policies between the Board, Board Committees and Management.</p> <p>The Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Company Secretaries attended the Board and Board Committees' meetings held during the financial year ended 31 December 2023 and ensured that the meetings are properly convened. Further, all deliberations and decisions are properly minuted and filled.</p> <p>In order to contribute and operate effectively, the Company Secretaries keep themselves abreast of relevant corporate</p>

	governance and regulatory requirements by undertaking continuous professional development.	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board members have full and unrestricted access to all information within the Group. The notice of meeting together with the relevant meeting papers are served to the Directors at least five (5) business days prior to the meetings so that the Board has sufficient time to review and obtain further clarification, if necessary. The proceedings of the Board meetings are conducted in accordance with a structured agenda to enable focused and constructive deliberation at meetings. During the Board meetings, Key Senior Management are invited to present and explain reports for the Board's deliberation and approval.</p> <p>All proceedings of the Board meetings are duly minuted and circulated to all Directors for their perusal prior to confirmation at the following Board meeting.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has established a Board Charter which outlines the roles and responsibilities of the Board, Board Committees, individual Directors and management. The Board Charter also serves to provide guidance and clarity for the Board in overseeing the progression of strategic plans and overall performance of the Group while fulfilling its fiduciary duties and leadership functions. In order to retain control of key decisions and ensure a clear division of responsibilities, the Board Charter sets out the matters reserved for Board's decision, to ensure that the direction and control of the Group are firmly in the hands of the Board.</p> <p>The Board Charter would be periodically reviewed and updated as and when necessary to ensure that it remains consistent with the Board's overall responsibilities as well as changes to legislation and regulation.</p> <p>The Board Charter is available on the Company's website at www.kjts.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company has established a Code of Conduct and Ethics for its Directors, Management and all employees of the Group in discharging their duties and responsibilities.</p> <p>The Company is committed in doing business legally, ethically and in a transparent manner. This Code of Conduct and Ethics is essential to maintaining and furthering our reputation for fair and ethical practices among our directors, customers, shareholders, employees, communities and other stakeholders of the Company and its subsidiaries.</p> <p>The Board had also adopted the Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") which aim at promoting ethical business practices and healthy corporate culture within the Group.</p> <p>The Board will review and update these policies from time to time to ensure that it remains relevant and effective. The Code of Conduct and Ethics and ABAC Policy are available on the Company's website at www.kjts.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has established a Whistleblowing Policy to uphold values and standard of work ethics for all Directors and employees in line with good corporate governance and business integrity.</p> <p>The Whistleblowing Policy provides an avenue for all Directors, employees, and stakeholders of the Group to disclose or report any suspected misconduct or wrongdoing by any employee or any person who has dealings with the Group.</p> <p>As reinforced in the Whistleblowing Policy, the Company is committed to protect the whistle-blowers from any acts of retaliation, harassment or subjected to being victimization and protection of whistle-blower will be done as per the statutory requirement.</p> <p>The Whistleblowing Policy is available on the Company's website at www.kjts.com.my.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>One of the key responsibilities of the Board as detailed in the Board Charter is to review and setting a strategic plan for the Group to ensure long term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability.</p> <p>To achieve this, the Board continuously ensures that there is an effective governance framework for sustainability within the Group and the Group Managing Director shall drive the strategic management of material sustainability matters.</p> <p>Please refer to the Sustainability Statement of the Group in the Annual Report.</p>	
Explanation for departure	:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company have included the Sustainability Statement in the Annual Report which discloses the Company's sustainability strategies, priorities and targets as well as performance and it serves as the main communication tool of the Group's Sustainability to both internal and external stakeholders.</p> <p>The Annual Report of the Company is available in the Company's website at www.kjts.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company continuously keep themselves abreast with and understanding to the sustainability issues through periodical updates by the regulators.</p> <p>The Company had also planned for an internal audit which included sustainability reporting process review as one of the focus areas for year 2024 to keep the Group updated on the latest requirements and also address any deficiencies in the current policies and strategies.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The performance evaluation of the Board had included evaluation of Board in addressing the Company’s material sustainability risks and opportunities.	
		The Board is currently in the process of introducing a sustainability related KPI for senior management and target to adopt the practice by financial year ending 31 December 2024.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Nil	
Timeframe	:	Others	

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company was listed on ACE Market of Bursa Malaysia Securities Berhad on 26 January 2024.</p> <p>The Nominating Committee ("NC") is responsible to annually review the required mix of skills, knowledge, qualification, experience and other requisite qualities of Directors through the assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director. The NC is guided by its Terms of Reference ("TOR") which sets out the objectives, composition, duties and responsibilities and authority.</p> <p>The Board considers the composition of the Board, the tenure of each Director, review its composition and will evaluate the need to bring new skills and perspective to the Board where necessary.</p> <p>The Board had also established the Directors' Fit and Proper Policy which serves as a guide to the NC and Board in conducting assessment on potential candidates for appointment as Directors as well as existing Directors who are seeking for re-election and re-appointment.</p> <p>The TOR for the NC and also the Directors' Fit and Proper Policy are available in the Company's website at www.kjts.com.my.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	<p>The Board presently comprises six Directors, of whom we have a Group Managing Director, a Group Executive Director and four Independent Non-Executive Directors. The four Independent Non-Executive Directors were appointed on 21st November 2022.</p> <p>The Board acknowledges that having a majority of the Board members being independent would further elevate the elements of objectivity and impartiality whilst preventing dominance and complacency in the boardroom. The objectivity that is inherent in Independent Directors can allow for robust challenge and ultimately refine Management's approach to the Group's business operations and strategy.</p> <p>The presence of majority Non-Executive Directors on the Board, namely, Puan Azura Binti Azman, Mr. Ng Kok Ken, Ms Elaine Law Soh Ying and Dr. Teoh Pek Loo, provide assurance that deliberations in the boardroom will be framed in an objective manner and the voice of Independent Directors will not be encumbered.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied	
Explanation on application of the practice	:	All the Independent Non-Executive Directors were appointed on 21 st November 2022. None of the Independent Directors has served the Board exceeding a cumulative period of nine (9) years.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed in ensuring that there is diversity in its composition with regards to the dimensions of skills, experience, background and gender. The same proposition applies to Key Senior Management.</p> <p>Through the Nominating Committee (“NC”), the Board undertakes periodic reviews of its composition to ensure that its members possess diverse background and skills. The nomination and selection process for directorships and Senior Management process in the Company is based on the following aspects:</p> <ol style="list-style-type: none"> a. assess the candidates’ skills, expertise, experience, professionalism, reputation and track record, commitment; integrity, character and competence; b. consider Board diversity including age and gender diversity; c. in the case of candidates for the position of Independent Non-Executive Directors, evaluate the candidates’ ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors including the fulfilment of the independence criteria; d. ability to understand financial statements and form a view on the information presented; and e. such other criteria and attributes that may be deemed relevant by the NC. <p>Presently, the Board is composed of members with a mix of skill sets, knowledge and experience (i.e. engineering, accounting, finance and legal), mix of gender (i.e. two out of six Directors are female) as well as cultural background.</p> <p>The Key Senior Management personnel also hail from diverse backgrounds, particularly on the front of industry expertise, mix of gender as well as cultural background.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Through the Nominating Committee (“NC”), the Board is responsible for overseeing the screening and recruitment process and for making recommendations for new Director candidates. The nomination process for the appointment of Directors and the criteria used by NC in the selection process are provided in the Terms of Reference (“TOR”) of NC.</p> <p>The Board may utilise a variety of independent sources including directors’ registry, industry and professional association, open advertisement and independent search firm to identify suitably qualified candidates, if required.</p> <p>For the financial year ended 31 December 2023, there was no appointment of new director to the Board. The Board is mindful on this Practice and may consider utilising the independent sources to identify suitable qualified candidate, when necessary. The NC will explain why other sources were not used if the selection of candidate(s) was solely based on recommendation made by the existing Board members, Management or major shareholder, when necessary.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The profile of the Directors is enclosed in the Annual Report.</p> <p>As at the date of this Annual Report, all Independent Non-Executive Directors do not have any business relationship or conflict of interest with the Group which would influence their independent judgement to act in the best interest of the Group.</p> <p>For the Directors who are retiring at the forthcoming Second Annual General Meeting ("2nd AGM"), a statement by the Board and Nominating Committee that they are satisfied with the performance and effectiveness of the retiring Directors who had offered themselves for re-election at the forthcoming 2nd AGM, as well as the Board's basis of recommendation, is included in the Statements Accompanying the Notice of 2nd AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Nominating Committee is chaired by an Independent Non-Executive Director, namely Dr. Teoh Pek Loo.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board presently has two female Directors, namely, Puan Azura Binti Azman and Ms Elaine Law Soh Ying. This represents more than 30% women directors out of the six-member Board of the Company, thus achieving higher than the stipulated 30% target.</p> <p>The Board acknowledges the importance of boardroom diversity in relation to gender, and is steadfast in its belief of women Directors on the Board who bring about varying perspectives.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company has established the Gender Diversity Policy which outlines its approach in achieving and maintaining diversity on the Board and workspace.</p> <p>The disclosure of this policy could be found in the Corporate Governance Overview Statement of the Annual Report and also on the Company's website at www.kjts.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: The Company was listed on ACE Market of Bursa Malaysia Securities Berhad on 26 January 2024. The Nominating Committee (“NC”) has on 28 February 2024 conducted an annual review and assessment on the effectiveness and performance of the Board, Board Committees and individual Directors for the financial year ended 31 December 2023. Facilitated by the Company Secretaries, the assessment was conducted in both self-evaluation and peers’ evaluation approaches. The overall result of the evaluation was tabled to the Board and the NC. Based on the results of the Board assessment, both the Board and NC were satisfied with the current mix of skills and experience of the Board and the respective Board Committees as a whole had met the requirements of the Company and the overall performance of the Board, Board Committees and individual Directors was effective and satisfactory.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company had established the Remuneration Policy 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.</p> <p>The Company acknowledges the level and composition of remuneration of Directors and senior management taking 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. The main objective of the Remuneration Policy is to ensure that the Directors and senior management are offered an appropriate level of remuneration which is comparable with market rate and is in line with the Company's business strategy and long-term objectives.</p> <p>The Remuneration Policy is available on the Company's website at www.kjts.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has a Remuneration Committee ("RC"), comprising Independent Directors to provide oversight on remuneration matters.</p> <p>The RC seeks to administer a remuneration framework that is fair and transparent in order to attract and retain talented individuals.</p> <p>The Terms of Reference of the RC is periodically reviewed by the Board and is made available on the Company's website at www.kjts.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The detailed disclosure of the remuneration breakdown of Individual Directors, of the Company and Group during the financial year ended 31 December 2023 are set out 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	Azura Binti Azman	Independent Director	24	Input info here	Input info here	Input info here	Input info here	Input info here	24	24	Input info here	Input info here	Input info here	Input info here	Input info here	24
2	Lee Kok Choon	Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	40	12	740	Input info here	13	93	898
3	Sheldon Wee Tah Poh	Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	40	12	740	Input info here	13	97	902
4	Elaine Law Soh Ying	Independent Director	24	Input info here	Input info here	Input info here	Input info here	Input info here	24	24	Input info here	Input info here	Input info here	Input info here	Input info here	24
5	Ng Kok Ken	Independent Director	24	Input info here	Input info here	Input info here	Input info here	Input info here	24	24	Input info here	Input info here	Input info here	Input info here	Input info here	24
6	Dr. Teoh Pek Loo	Independent Director	24	Input info here	Input info here	Input info here	Input info here	Input info here	24	24	Input info here	Input info here	Input info here	Input info here	Input info here	24
7	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Applied – the company discloses the remuneration of members senior management who are not members of the board	
Explanation on application of the practice	:	The remuneration of the key senior management has been disclosed in the Company's Annual Report in the bands of RM50,000.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Wong Nai Chien	Group Chief Operating Officer	250,001-300,000	0-50,000	Choose an item.	0-50,000	0-50,000	300,001-350,000
2	Sarmila A/P Muniandy	Group Chief Finance Officer	150,001-200,000	0-50,000	Choose an item.	0-50,000	0-50,000	200,001-250,000
3	Adrian Lim Hock Heng	Chief Operations Officer (Projects)	200,001-250,000	0-50,000	Choose an item.	0-50,000	0-50,000	300,001-350,000
4	Yap Yew Cheong	Regional Head of Engineering and Design	100,001-150,000	0-50,000	Choose an item.	0-50,000	0-50,000	150,001-200,000
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Audit and Risk Management Committee ("ARMC") comprises three members whom are Independent Non-Executive Directors. The ARMC is chaired by Mr. Ng Kok Ken whilst the Chairman of the Board is Puan Azura Binti Azman.</p> <p>Mr. Ng Kok Ken is a member of the Chartered Accountants Australia and New Zealand. He is also a member of the Malaysian Institute of Accountants.</p> <p>Given his sound financial understanding and experience, he is equipped with relevant technical knowledge to assume the role of Chairman of the ARMC.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit and Risk Management Committee ("ARMC") has included in its Terms of Reference ("TOR") the cooling off period of at least three (3) years for a former key audit partner to observe before being appointed as a member of this committee.</p> <p>Presently, none of the members of our ARMC were former audit partners.</p> <p>The TOR for ARMC is available on the Company's website at www.kjts.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit and Risk Management Committee (“ARMC”) is responsible for assessing the capabilities and independence of the External Auditor and to make subsequent recommendations to the Board on the appointment and re-appointment of the external auditor.</p> <p>The ARMC undertakes annual assessment of the suitability and independence of the External Auditors. The factors considered by the ARMC in its assessment include, adequacy of professionalism and experience of the staff, the resources of the external auditors, the fees and the independence of and the level of non-audit services rendered to the Group.</p> <p>The ARMC had on 28 February 2024 undertook an annual assessment on the suitability, objectivity and independence of UHY for the financial year ended 31 December 2023 in accordance with the Company’s External Auditors Assessment Policy. Having assessed their performance, the ARMC was satisfied with the quality, performance, suitability, objectivity and independence of UHY and recommended their re-appointment to the Board, upon which shareholders’ approval will be sought at the forthcoming Second Annual General Meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted												
Explanation on adoption of the practice	:	<p>The Audit and Risk Management Committee comprises exclusively of Independent Non-Executive Directors, comprising of the following members:</p> <table border="1"><thead><tr><th>No.</th><th>Name</th><th>Designation</th></tr></thead><tbody><tr><td>1</td><td>Mr. Ng Kok Ken</td><td>Chairman</td></tr><tr><td>2</td><td>Ms Elaine Law Soh Ying</td><td>Independent Director</td></tr><tr><td>3</td><td>Dr. Teoh Pek Loo</td><td>Independent Director</td></tr></tbody></table>	No.	Name	Designation	1	Mr. Ng Kok Ken	Chairman	2	Ms Elaine Law Soh Ying	Independent Director	3	Dr. Teoh Pek Loo	Independent Director
No.	Name	Designation												
1	Mr. Ng Kok Ken	Chairman												
2	Ms Elaine Law Soh Ying	Independent Director												
3	Dr. Teoh Pek Loo	Independent Director												

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>All members of the Audit and Risk Management Committee (“ARMC”) are financially literate and possess the necessary qualifications as well as industry experience {i.e. Mr. Ng Kok Ken is a Fellow of the Institute of Chartered Accountants (Australia & New Zealand), Ms Elaine Law Soh Ying holds a Bachelor of Laws and Master of Laws degrees with more than 20 years of experience in the legal profession, and Dr. Teoh Pek Loo holds a Doctor of Philosophy of Engineering Science with about 20 years of working experience in the engineering field}. They are able to understand, analyse and objectively review matters under the purview of the ARMC including financial reporting process.</p> <p>The External Auditors, from time to time, brief the ARMC updates on financial reporting developments and changes in regulatory environment.</p> <p>The Board had on 28 February 2024, via the Nominating Committee, also conducted annual assessment on the performance of the ARMC and each of its members and was satisfied with the performance of the ARMC in fulfilling its duties as per Terms of Reference of the ARMC.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The review of the adequacy and effectiveness of the risk management and internal control framework is under the purview of the Audit and Risk Management Committee ("ARMC").</p> <p>The Board, through the ARMC determines the Group's level of risk tolerance and actively identifies, assesses and monitors key business risks to safeguard the Company's businesses.</p> <p>The Group has in place a risk management framework as an ongoing process for identifying, analysing, managing and monitoring risks faced by the Group. The risk management process includes identifying significant risks and assessing the likelihood of occurrence, impact and severity of each risk identified. Appropriate mitigating, reporting and monitoring measures are proposed to manage the risks. The Group Managing Director, Group Executive Director and Heads of Departments are delegated with the responsibility to manage identified risks within defined parameters and standards.</p> <p>Detailed disclosure on the Group's risk management and internal control framework is in the Statement on Risk Management and Internal Control of the Annual Report.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Annual Report contains the Statement on Risk Management and Internal Control which discloses the key features of the Company's risk management and internal control framework. The framework is used to continuously identify, mitigate and address risks affecting the Group.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	Our Risk Management Committee is combined with the Audit Committee to oversee the Company's risk management framework and policies.

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit and Risk Management Committee (“ARMC”) of the Company is responsible for monitoring and reviewing the effectiveness of the Group’s Internal Audit function.</p> <p>In preparation for the listing of the Company on the ACE Market of Bursa Securities (“Listing”), the Company had engaged Baker Tilly Monteiro Heng Governance Sdn. Bhd. (“Baker Tilly”), an outsourced Internal Auditors, which is independent of the activities and operations of the Group as its Governance, Risk and Internal Control Consultant to review the adequacy and sufficiency of systems, procedures and controls of the Group.</p> <p>Following the listing exercise, the Board continued to engage Baker Tilly to assume the Group’s risk management and its internal audit function, which reports and assists the ARMC in managing the risks and establishment of the internal control system and processes of the Group.</p> <p>Details of the Internal Audit function are set out in the ARMC Report in the Annual Report.</p> <p>Save for the Internal Control Review performed in conjunction with the Listing exercise, no internal audit work was performed during the financial year ended 31 December 2023 as the Company was only listed on 26 January 2024.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	: Applied
Explanation on application of the practice	<p>In preparation for the Listing of the Company on the ACE Market of Bursa Securities (“Listing”), the Company had engaged Baker Tilly Monteiro Heng Governance Sdn. Bhd. (“Baker Tilly”), an outsourced Internal Auditors, which is independent of the activities and operations of the Group as its Governance, Risk and Internal Control Consultant to review the adequacy and sufficiency of systems, procedures and controls of the Group.</p> <p>Subsequent to the Listing, the Group outsourced the internal audit function to Baker Tilly to provide internal audit services to the Group.</p> <p>Baker Tilly is a corporate member of the Institute of Internal Auditors Malaysia (“IIAM”). The number of resources to be deployed by Baker Tilly for each internal audit review will range from 3 to 4. The internal audit team is led by Ms Heng Cheng Zin, a Member of the Institute of Internal Auditors Malaysia and Member of Certified Practising Accountant and has over 17 years of experience in the fields of Internal Audit and Internal Control Review, risk management and compliance.</p> <p>The Internal Auditor teams applied the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control-Integrated Framework as a basis for evaluating the effectiveness of the internal control systems and conduct the internal audit assessment, in accordance with the International Professional Practices Framework.</p> <p>Baker Tilly is free from any relationship or conflict of interest, which could impair their objectivity and independence. None of the persons involved have any family relationship with the Directors or Company which could result in the conflict of interest and/or impairment of the objectivity and independence during the internal audit review.</p>

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

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges that effective, transparent and regular communication with stakeholders is vital for informed decision making. Emanating from this, the Board endeavours to ensure that communication with stakeholders is conducted in a regular and forthcoming manner.</p> <p>One of the primary modes of communication with stakeholders is through the Company's corporate website. The website includes a corporate section which provides all relevant information regarding the Group.</p> <p>The Board ensures that the Company's website is updated regularly and contains significant matters such as the following:</p> <ul style="list-style-type: none"> • Company announcements and quarterly financial results; • Annual Report; • Corporate Governance Report; • Corporate information, and • Corporate Governance policies and documents. <p>Other forms of engagement include:</p> <ul style="list-style-type: none"> • quarterly analyst briefing after release of the quarterly financial result; • plant visits, discussions or telephone conference with fund managers and analysts at their request; • participate in investors conferences organised by stockbroking houses; • distribution of annual reports and circulars to shareholders; and • meeting with shareholders at general meetings.
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.

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board recognises the Annual General Meeting (“AGM”) as a platform for shareholders to engage with both the Board and Management in a productive dialogue, as well as a mode of communication to provide constructive feedback on the overall performance of the Group.</p> <p>The Board endeavours to provide shareholders with adequate time to consider the resolutions that will be discussed and decided upon during the AGM. In this context, the notice of its forthcoming Second AGM will be provided to shareholders within a reasonable time frame, at least 28 days before the AGM. The notice of the AGM outlines the resolutions to be tabled during the said meeting.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied
Explanation on application of the practice	:	The Board acknowledges its responsibility to engage shareholders and provide meaningful responses to the questions raised during the Annual General Meetings. The Second Annual General Meeting (“2 nd AGM”) will be the first AGM to be held after the Company’s listing on 26 January 2024. In demonstrating this commitment to shareholders, all Directors are committed to be present at the forthcoming 2 nd AGM. The Chairmen of respective Board Committees are committed to be present to facilitate discussions and address any questions shareholders may have on matters that fall under the purview of the Committees.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company strives to leverage on the technology to facilitate the voting and remote participation at general meetings.</p> <p>The forthcoming Second Annual General Meeting of the Company will be conducted virtually through live streaming via Remote Participation and Voting facilities to facilitate remote shareholders’ participation and electronic voting (e-voting) will be adopted for the conduct of poll on all resolutions. The appointed poll administrator and independent scrutineers will be conducting the polling/e-voting process and verify the results of the poll.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: The Company was listed on ACE Market of Bursa Malaysia Securities Berhad on 26 January 2024. After listing, the forthcoming Second Annual General Meeting ("2 nd AGM") will be conducted virtually through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia. The Chairman of the Board will ensure that the forthcoming 2 nd AGM support meaningful engagement between the Board and the shareholders. Sufficient opportunity will be provided to the shareholders to pose questions during the AGM and all the questions shall receive a meaningful response.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 13.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company was listed on ACE Market of Bursa Malaysia Securities Berhad on 26 January 2024.</p> <p>After the listing, the forthcoming Second Annual General Meeting ("2nd AGM") will be conducted virtually through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia.</p> <p>The forthcoming 2nd AGM to be conducted virtually will provide an opportunity for shareholders to participate remotely at the AGM and pose relevant questions to the Chairman and the Board via real time submission of typed texts.</p> <p>Shareholders will be able to submit questions to the Company in advance of the AGM via TIIH Online website. All questions received in advance and those posed real time during the AGM will be made visible to all meeting participants and answered by the Directors and the Management during the meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The Company was listed on ACE Market of Bursa Malaysia Securities Berhad on 26 January 2024. The Company will ensure that the minutes of the Second Annual General Meeting to be uploaded on the Company's website at www.kjts.com.my within thirty (30) business days from the date of the Annual General Meeting
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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