

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 6203  
**COMPANY NAME** : KHEE SAN BERHAD  
**FINANCIAL YEAR** : June 30, 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.

|  |   |  |
|--|---|--|
| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | <p>The Board recognises the key role it plays in charting the strategic direction of the Group and has assumed the following principal responsibilities in discharging its fiduciary duties:</p> <ul style="list-style-type: none"><li>a) Reviewing and adopting a strategic plan for the Company, addressing the sustainability of the Group's business;</li><li>b) Overseeing the conduct of the Group's businesses and evaluating whether or not its businesses are being properly managed;</li><li>c) Identify principal business risks faced by the Company and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;</li><li>d) Reviewing the adequacy and integrity of the Company's internal control and management information systems;</li><li>e) Carrying out periodic review of the Group's financial performance and operating results and major capital commitments; and</li><li>f) Reviewing and approving any major corporate proposals, new business ventures or joint ventures of the Company.</li></ul> |
| <b>Explanation for departure</b>   | : |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

### **Intended Outcome**

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

### **Practice 1.2**

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

|  |   |  |
|--|---|--|
| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | The Executive Chairman leads the Board and is responsible for the effective performance of the Board. The Executive Chairman conducts the Board meetings and discussions in a manner that encourages constructive discussions and effective contribution from each Director. Through the Company Secretary, he sets the board agenda and ensures that board members receive complete and accurate information in a timely manner and reviews the minutes of the Board meetings to ensure that the minutes accurately reflect the Board's deliberations, and matters arising from the minutes have been addressed properly. |
| <b>Explanation for departure</b>   | : |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

## Intended Outcome

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

### Practice 1.3

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

|  |   |  |
|--|---|--|
| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | <p>The positions of the Chairman and Chief Executive Officer ("CEO") are held by two (2) different individuals to promote accountability and facilitate the division of responsibilities between them. In this regard, no one (1) individual can influence the Board's discussions and decision-making.</p> <p>The Board is chaired by Mr. Yong Loong Chen, the Executive Chairman. Mr. Yong Loong Chen is responsible for instilling good corporate governance practices within the Group and to provide effective leadership and sound advice on the strategic direction of the Group and to his best effort, monitor and promote good governance practices of the Group.</p> <p>The Chief Executive Officer is Mr. Edward Tan Juan Peng, who manages and leads the senior management team of the Group on the day-to-day business operations and implements the Board's decisions and policies.</p> |
| <b>Explanation for departure</b>   | : |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

### Intended Outcome

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

### Practice 1.4

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

*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'.*

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | The Executive Chairman, Mr. Yong Loong Chen is not a member of the Audit Committee, Nominating Committee or Remuneration Committee. |
| <b>Explanation for departure</b>   | : |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

### **Intended Outcome**

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

### **Practice 1.5**

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

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | <p>The Company appointed Aquilla Services Sdn Bhd, an external consultant in carrying out the responsibilities of the corporate secretarial matters and provides support to our Board and keep our Board's abreast of changes to Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and statutory requirements.</p> <p>The Company Secretary, Ms. Khoo Ming Siang, has the requisite credentials and qualified to act as the Company Secretary pursuant to Section 235(2) of the Companies Act 2016.</p> <p>The Board is regularly updated and kept informed by the Company Secretary and the Management of the requirements such as restrictions in dealing with the securities of the Company and updates as issued by the various regulatory authorities including the latest developments in the legislation and regulatory framework affecting the Group.</p> <p>For the financial year ended 30 June 2025 ("FY2025"), the Board is satisfied with the performance of the Company Secretary in providing sound governance advice, ensure adherence to rules and procedures, and advocate of corporate governance best practices.</p> |
| <b>Explanation for departure</b>   | : |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

## Intended Outcome

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

### Practice 1.6

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

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | <p>The Board meets on a scheduled basis at least once every quarter. Occasionally, Board meetings may be held at short notice when urgent issues and important decisions are required to be taken between the scheduled meetings.</p> <p>Meeting materials are circulated to Directors at least five (5) business days in advance of Board and Board Committee meetings via email to allow ample time for Directors to consider the relevant information.</p> <p>The Minutes of the Board and Board Committee meetings are circulated to the respective Chairman in a timely manner for review before they are confirmed. All Board members reviewed and confirmed the minutes of meetings to ensure they accurately reflect the deliberations and decisions of the Board, including whether any Director abstained from voting or deliberation on a particular matter.</p> |
| <b>Explanation for departure</b>   | : |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

### **Intended Outcome**

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

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

### **Practice 2.1**

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

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

|  |   |
|--|---|
| <b>Application</b>   | : Applied   |
| <b>Explanation on application of the practice</b>  | <p>The Board is guided by a Board Charter which sets out the principles governing the Board of Directors of the Company and adopts the principles of good governance and practice in accordance with applicable laws, rules and regulations in Malaysia. The Board Charter also sets out the respective roles and responsibilities of the Board, board committees, individual directors and the Management and issues and decisions reserved for the Board.</p> <p>The Board will review the Board Charter from time to time to ensure that the Board Charter remains consistent with the Board's objectives, current law and practices.</p> <p>The Board Charter is published on the Company's website at <a href="http://www.kheesanbhd.com">www.kheesanbhd.com</a></p> |
| <b>Explanation for departure</b>   |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |
| <b>Measure</b>   |   |
| <b>Timeframe</b>   |   |

### **Intended Outcome**

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

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

### **Practice 3.1**

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

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

|  |   |  |
|--|---|--|
| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | <p>In discharging its responsibilities, the Board is also guided by a Code of Conduct and Ethics for Directors whilst the Management and employees are guided by the Code of Conduct and Ethics in the Employees' Handbook which encompasses all aspects of its day-to-day business operations. Directors and employees of the Group are expected to conform and observe an appropriate decorum and behaviour that promote honesty and integrity when engaging with both employees and stakeholders.</p> <p>A copy of the Code of Conduct and Ethics is available on the Company's website at <a href="http://www.kheesanbhd.com">www.kheesanbhd.com</a></p> |
| <b>Explanation for departure</b>   | : |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

### **Intended Outcome**

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

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

### **Practice 3.2**

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

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | <p>The Board has in place a Whistleblowing Policy which sets out the protection to any reporting individual who has made the disclosure or report in good faith, the confidentiality and safeguarding in dealing with such disclosure or report, the communication channel and the procedural flow of making the disclosure or report.</p> <p>A copy of the Whistleblowing Policy is available on the Company's website at <a href="http://www.kheesanbhd.com">www.kheesanbhd.com</a></p> |
| <b>Explanation for departure</b>   | : |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

## Intended Outcome

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

### Practice 4.1

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

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

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

|  |   |  |
|--|---|--|
| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | <p>The Board is the main driver in overseeing the sustainability matters, setting the sustainability strategies and ensuring that our sustainability initiatives are aligned with the Group's vision and mission. The Board is supported by the Risk Committee in setting sustainability strategies as well as monitoring the progress of implementation of sustainability initiatives, based on the directions set by the Board.</p> <p>In addition, the Management has established a Sustainability Working Group ("SWG") which identifies, plans and initiates the policies, measures and practices including day-to-day management of sustainability of risks and issues. The SWG provides status updates on sustainability performance to the Management.</p> <p>Please refer to the Sustainability Report in the Annual Report 2025 for further details.</p> |
| <b>Explanation for departure</b>   | : |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

**Intended Outcome**

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

**Practice 4.2**

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

|  |   |  |
|--|---|--|
| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | In the FYE 30 June 2025, the Company continued to engage with our key stakeholders through various channels and platforms to obtain feedback on key areas of interest to them, gaining insights into emerging issues that are significant to both stakeholders and the organisation. |
| <b>Explanation for departure</b>   | : |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

**Intended Outcome**

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

**Practice 4.3**

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

|  |   |  |
|--|---|--|
| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | The Board through the Nominating Committee reviews the training programmes attended by each Director during the FYE 30 June 2025. The Board is satisfied that each Director has and will continue to constantly keep themselves abreast on the relevant requirements and matters concerning the sustainability, including the latest development in industry as well as the sustainability issues relevant to the Group. |
| <b>Explanation for departure</b>   | : |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

**Intended Outcome**

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

**Practice 4.4**

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

|  |   |  |
|--|---|--|
| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | <p>As part of the sustainability initiative, the Company has also established the key performance indicators, identified action plans for all the sustainability matters and assigned responsibility to specific departments and individuals to track progress and compile results.</p> <p>The Board and senior management take into consideration the Company's material sustainability risks and opportunities and Environmental, Social and Governance issues are included in the performance evaluation of the Board for the FYE 2025.</p> |
| <b>Explanation for departure</b>   | : |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

### **Intended Outcome**

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

### **Practice 4.5- Step Up**

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

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

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

### **Intended Outcome**

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

#### **Practice 5.1**

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

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | <p>The Nominating Committee oversees and reviews the overall composition of the Board in terms of size, the required mix of skills, experience and other qualities and core competencies for the Directors of the Company.</p> <p>The effectiveness of the Board as a whole and the contribution and performance of each individual Director to the effectiveness of the Board and the Board Committees will also be assessed by the Nominating Committee on an annual basis.</p> |
| <b>Explanation for departure</b>   | : |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

**Intended Outcome**

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

**Practice 5.2**

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

|  |   |
|--|---|
| <b>Application</b>   | : Departure   |
| <b>Explanation on application of the practice</b>  |   |
| <b>Explanation for departure</b>   | <p>For the FYE 30 June 2025, the Board consisted of seven (7) members, comprising one (1) Executive Chairman, two (2) Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors.</p> <p>The composition of the Board complies with the Paragraph 15.02 of the Bursa Securities Main Market Listing Requirements which requires at least one-third (1/3) of the Board comprising of Independent Directors.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |
| <b>Measure</b>   |   |
| <b>Timeframe</b>   |   |

### **Intended Outcome**

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

### **Practice 5.3**

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

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

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | None of the Independent Directors has exceeded a cumulative term of nine (9) years in the Company as of the FYE 30 June 2025. |
| <b>Explanation for departure</b>   | : |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

### **Intended Outcome**

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

### **Practice 5.4 - Step Up**

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

*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.*

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

**Intended Outcome**

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

**Practice 5.5**

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

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

|  |  |
|--|--|
| <b>Application</b>   | : Applied  |
| <b>Explanation on application of the practice</b>  | : To maintain the best interest of the Company, diversity is applied within the Board, Senior Management and all levels of the organisation. In line with this, the Board and Senior Management are appointed based on merit, mix of skills, competencies, experience, professionalism and other relevant qualities which includes age and cultural background to have better governance in the Group.<br><br>All Directors do not hold more than five (5) directorships in listed issuers, in compliance with Paragraph 15.06(1) of the Main Market Listing Requirements of Bursa Securities.<br><br>All Directors have also recorded 100% attendance in meetings held during the FYE 2025. |
| <b>Explanation for departure</b>   | :  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |  |
| <b>Measure</b>   | :  |
| <b>Timeframe</b>   | :  |

### **Intended Outcome**

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

### **Practice 5.6**

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

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

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | <p>The Board as a whole is responsible for recommending suitable candidates for Directorships to the Board. In evaluating potential candidates, the Board through the Nominating Committee will assess directorship suitability based on objective criteria, including:</p> <ul style="list-style-type: none"><li>• Qualification;</li><li>• Required competencies, skills, expertise and experience;</li><li>• Specialist knowledge or technical skills;</li><li>• Professionalism and integrity; and</li><li>• Time commitment to the Company</li></ul> <p>In searching for suitable candidates, the Board may receive suggestions from existing Board Members, Management, and major shareholders. The Board is also open to referrals from external sources available, such as industry and professional associations, as well as independent search firms.</p> |
| <b>Explanation for departure</b>   | : |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

### **Intended Outcome**

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

### **Practice 5.7**

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

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | The profile of the Directors who are due for retirement and eligible for re-election, which includes the nature of interest with the Company, if any, are set out in the Annual Report 2025 of the Company. |
| <b>Explanation for departure</b>   | : |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

**Intended Outcome**

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

**Practice 5.8**

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

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | The Nominating Committee is chaired by Mr. Ong Phui Fatt, who is an Independent Non-Executive Director. |
| <b>Explanation for departure</b>   | : |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

|  |   |
|--|---|
| <b>Application</b>   | : Departure   |
| <b>Explanation on application of the practice</b>  |   |
| <b>Explanation for departure</b>   | <p>The Board has always taken into account diversity as one (1) of the selection criteria of Board appointees, as it recognises that a diversified Board will provide effective and dynamic discussions at the Board level. During the FYE 2025, the Board has appointed an additional female director, namely Ms. Ngu Chienn Ying, increasing the number of female Directors to two (2), which represents 29% of the Board. This complies with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Securities, requiring one (1) female Director on the Board.</p> <p>The Board affirms that the appointment of more woman representatives to the Board and senior management will be prioritised when vacancies arise and when suitable candidates are identified.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |
| <b>Measure</b>   | : Please explain the measure(s) the company has taken or intend to take to adopt the practice.  |
| <b>Timeframe</b>   | : Choose an item.   |

### Intended Outcome

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

### Practice 5.10

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

|  |   |  |
|--|---|--|
| <b>Application</b>   | : | Departure  |
| <b>Explanation on application of the practice</b>  | : |  |
| <b>Explanation for departure</b>   | : | Currently the Company does not have a written policy on gender diversity pertaining to the selection of its Board members. However, the Board is of the collective opinion that there was no necessity to adopt a formal gender diversity policy as the Group is committed to provide fair and equal opportunities and nurturing within the Group. |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

## Intended Outcome

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

### Practice 6.1

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

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

*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.*

| <b>Application</b>                                | Applied   |            |                     |                  |   |                             |   |  |   |  |   |                       |   |
|---|---|------------|---------------------|------------------|---|-----------------------------|---|--|---|--|---|-----------------------|---|
| <b>Explanation on application of the practice</b> | <p>The Nominating Committee conducts annual assessment by using various assessment forms that set out key evaluating criteria to evaluate the effectiveness of the Board and Board Committees as a whole, performance and contributions of individual Directors and independence of the Independent Directors.</p> <p>The criteria used in the assessment forms cover the following key areas:</p> <table border="1"><thead><tr><th>Evaluation</th><th>Assessment Criteria</th></tr></thead><tbody><tr><td>Board as a whole</td><td><ol style="list-style-type: none"><li>1. Board Structure / Membership</li><li>2. Board Functionality</li><li>3. Board Meetings</li><li>4. Contents of Board Meetings</li><li>5. Management / Management Presentations</li><li>6. Corporate Governance</li><li>7. Environmental, Social and Governance</li><li>8. Overall effectiveness of the Board</li></ol></td></tr><tr><td>Board Committees as a whole</td><td><ol style="list-style-type: none"><li>1. Appropriateness of Terms of Reference of Board Committees</li><li>2. Appropriateness of Board Committees composition</li><li>3. Frequency of Board Committees Meetings</li><li>4. Overall effectiveness the Board Committees</li></ol></td></tr><tr><td>Individual Director Self and Peer Evaluation</td><td><ol style="list-style-type: none"><li>1. Fit and Proper</li><li>2. Conflict of Interest</li><li>3. Contribution to Interaction</li><li>4. Quality of Input</li><li>5. Understanding of Role</li></ol></td></tr><tr><td>Audit Committee members Self and Peer Evaluation</td><td><ol style="list-style-type: none"><li>1. Contribution to Interaction</li><li>2. Quality of Input</li><li>3. Understanding of Role</li></ol></td></tr><tr><td>Independent Directors</td><td><ol style="list-style-type: none"><li>1. Criteria of Independence pursuant to Paragraph 1.01 of the Main Market Listing Requirements</li><li>2. Tenure of Service as Independent Director</li></ol></td></tr></tbody></table> | Evaluation | Assessment Criteria | Board as a whole | <ol style="list-style-type: none"><li>1. Board Structure / Membership</li><li>2. Board Functionality</li><li>3. Board Meetings</li><li>4. Contents of Board Meetings</li><li>5. Management / Management Presentations</li><li>6. Corporate Governance</li><li>7. Environmental, Social and Governance</li><li>8. Overall effectiveness of the Board</li></ol> | Board Committees as a whole | <ol style="list-style-type: none"><li>1. Appropriateness of Terms of Reference of Board Committees</li><li>2. Appropriateness of Board Committees composition</li><li>3. Frequency of Board Committees Meetings</li><li>4. Overall effectiveness the Board Committees</li></ol> | Individual Director Self and Peer Evaluation | <ol style="list-style-type: none"><li>1. Fit and Proper</li><li>2. Conflict of Interest</li><li>3. Contribution to Interaction</li><li>4. Quality of Input</li><li>5. Understanding of Role</li></ol> | Audit Committee members Self and Peer Evaluation | <ol style="list-style-type: none"><li>1. Contribution to Interaction</li><li>2. Quality of Input</li><li>3. Understanding of Role</li></ol> | Independent Directors | <ol style="list-style-type: none"><li>1. Criteria of Independence pursuant to Paragraph 1.01 of the Main Market Listing Requirements</li><li>2. Tenure of Service as Independent Director</li></ol> |
| Evaluation  | Assessment Criteria   |            |                     |                  |   |                             |   |  |   |  |   |                       |   |
| Board as a whole                                  | <ol style="list-style-type: none"><li>1. Board Structure / Membership</li><li>2. Board Functionality</li><li>3. Board Meetings</li><li>4. Contents of Board Meetings</li><li>5. Management / Management Presentations</li><li>6. Corporate Governance</li><li>7. Environmental, Social and Governance</li><li>8. Overall effectiveness of the Board</li></ol>   |            |                     |                  |   |                             |   |  |   |  |   |                       |   |
| Board Committees as a whole                       | <ol style="list-style-type: none"><li>1. Appropriateness of Terms of Reference of Board Committees</li><li>2. Appropriateness of Board Committees composition</li><li>3. Frequency of Board Committees Meetings</li><li>4. Overall effectiveness the Board Committees</li></ol>   |            |                     |                  |   |                             |   |  |   |  |   |                       |   |
| Individual Director Self and Peer Evaluation      | <ol style="list-style-type: none"><li>1. Fit and Proper</li><li>2. Conflict of Interest</li><li>3. Contribution to Interaction</li><li>4. Quality of Input</li><li>5. Understanding of Role</li></ol>   |            |                     |                  |   |                             |   |  |   |  |   |                       |   |
| Audit Committee members Self and Peer Evaluation  | <ol style="list-style-type: none"><li>1. Contribution to Interaction</li><li>2. Quality of Input</li><li>3. Understanding of Role</li></ol>   |            |                     |                  |   |                             |   |  |   |  |   |                       |   |
| Independent Directors                             | <ol style="list-style-type: none"><li>1. Criteria of Independence pursuant to Paragraph 1.01 of the Main Market Listing Requirements</li><li>2. Tenure of Service as Independent Director</li></ol>   |            |                     |                  |   |                             |   |  |   |  |   |                       |   |

**Intended Outcome**

|  |   |
|--|---|
|  | <p>The above annual assessment was conducted internally, facilitated by the Company Secretary. The assessment was conducted using tailor-made questionnaires which employ a rating system and were administered by the Company Secretary.</p> <p>The Board is satisfied with the overall assessment and concludes that the Board, Board Committees and each Director has discharged their fiduciary duties and responsibilities as prescribed under the laws and regulations.</p> |
| <b>Explanation for departure</b> :   |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |
| <b>Measure</b> :   |   |
| <b>Timeframe</b> :   |   |

### **Intended Outcome**

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

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

### **Practice 7.1**

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

|  |   |  |
|--|---|--|
| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | <p>The Board has adopted a remuneration policy for its Directors. The objective of the remuneration policy is to structure the component of remuneration for Executive Directors to link rewards to corporate and individual performance towards achievement of the Company's strategic objectives and for Non-Executive Directors, to link the level of remuneration to the experience and responsibilities undertaken by the Non-Executive Directors and/or Independent Directors.</p> <p>The Executive Directors do not participate in decision relating to their remuneration.</p> <p>The Board as a whole, determines the remuneration package of all Directors with each individual concerned abstaining from deliberations and voting on the decision in respect of his or her remuneration.</p> <p>The Directors' Remuneration Policy is available on the Company's website at <a href="http://www.kheesanbhd.com">www.kheesanbhd.com</a>.</p> |
| <b>Explanation for departure</b>   | : |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

### **Intended Outcome**

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

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

### **Practice 7.2**

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

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

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | The Remuneration Committee has a set of Terms of Reference defining its scope of authorities, responsibilities and duties. The details of the Terms of Reference of Remuneration Committee are available at the Company's website at <a href="http://www.kheesanbhd.com">www.kheesanbhd.com</a> . |
| <b>Explanation for departure</b>   | : |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

**Intended Outcome**

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

**Practice 8.1**

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

|   |   |   |
|---|---|---|
| <b>Application</b>                                | : | Applied   |
| <b>Explanation on application of the practice</b> | : | The detailed disclosure on named basis for the remuneration of individual Directors including fees, allowances, salary and other emoluments are disclosed in the next page. |

| No | Name                        | Directorate                            | Company (RM)    |                 |                 |                 |                  |                  |                 | Group (RM)      |                 |                 |                 |                  |                  |                 |
|----|-----------------------------|--|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|
|    |                             |  | Fee             | Allowance       | Salary          | Bonus           | Benefits-in-kind | Other emoluments | Total           | Fee             | Allowance       | Salary          | Bonus           | Benefits-in-kind | Other emoluments | Total           |
| 1  | YONG LOONG CHEN             | Executive Chairman                     | 43,000.00       | 117,210.31      | 360,000.00      | 60,000.00       | 0                | 65,054.10        | 645,264.41      | 43,000.00       | 117,210.31      | 360,000.00      | 60,000.00       | 0                | 65,054.10        | 645,264.41      |
| 2  | DATO' SRI NGU TIENG UNG, JP | Non-Independent Non-Executive Director | 34,700.00       | 0               | 0               | 0               | 0                | 0                | 34,700.00       | 34,700.00       | 0               | 0               | 0               | 0                | 0                | 34,700.00       |
| 3  | EDWARD TAN JUAN PENG        | Executive Director                     | 43,000.00       | 110,696.00      | 480,000.00      | 80,000.00       | 0                | 81,074.10        | 794,770.10      | 43,000.00       | 110,696.00      | 480,000.00      | 80,000.00       | 0                | 81,074.10        | 794,770.10      |
| 4  | NGU CHIENN YING             | Executive Director                     | 34,700.00       | 7,233.33        | 90,000.00       | 5,400.00        | 0                | 12,780.45        | 150,113.78      | 34,700.00       | 7,233.33        | 90,000.00       | 5,400.00        | 0                | 12,780.45        | 150,113.78      |
| 5  | MOHANADAS A/L K.P.BALAN     | Independent Director                   | 43,000.00       | 48,200.00       | 0               | 0               | 0                | 0                | 91,200.00       | 43,000.00       | 48,200.00       | 0               | 0               | 0                | 0                | 91,200.00       |
| 6  | ONG PHUI FATT               | Independent Director                   | 43,000.00       | 0               | 0               | 0               | 0                | 0                | 43,000.00       | 43,000.00       | 0               | 0               | 0               | 0                | 0                | 43,000.00       |
| 7  | SUZANA MANJA BINTI IBRAHIM  | Independent Director                   | 43,000.00       | 0               | 0               | 0               | 0                | 0                | 43,000.00       | 43,000.00       | 0               | 0               | 0               | 0                | 0                | 43,000.00       |
| 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 |
| 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 |
| 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 |
| 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 |
| 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 |
| 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 |
| 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 |
| 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 |

### **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.

|  |   |  |
|--|---|--|
| <b>Application</b>   | : | Applied – the company discloses the remuneration of members senior management who are not members of the board   |
| <b>Explanation on application of the practice</b>  | : | <p>The top five (5) senior management of the Group consists of the Executive Chairman, Chief Executive Officer, Deputy Chief Executive Officer, Financial Controller and Head of Sales &amp; Marketing.</p> <p>The detailed disclosure on named basis for the remuneration of the Executive Chairman and Chief Executive Officer which includes the fee, allowance, salary and other emoluments are disclosed on page 30 of this report.</p> <p>The remuneration of the Deputy Chief Executive Officer, Financial Controller and Head of Sales &amp; Marketing for FYE 2025 are disclosed on page 32 in bands of RM50,000.</p> |
| <b>Explanation for departure</b>   | : |  |
|  |   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

| No | Name                  | Position                       | Company         |                 |                 |                 |                  |                   |
|----|-----------------------|--------------------------------|-----------------|-----------------|-----------------|-----------------|------------------|-------------------|
|    |                       |                                | Salary          | Allowance       | Bonus           | Benefits        | Other emoluments | Total             |
| 1  | Ng Chee Keong         | Deputy Chief Executive Officer | 200,001-250,000 | 0-50,000        | 0-50,000        | 0.              | 0                | 300,001-350,000   |
| 2  | Voo Lip Sang @ Philip | Financial Controller           | 200,001-250,000 | 0-50,000        | 0-50,000        | 0               | 0                | 250,001 – 300,000 |
| 3  | Tan Seok Gaik @ Renee | Head of Sales & Marketing      | 150,001-200,000 | 0-50,000        | 0-50,000        | 0               | 0-50,000         | 200,001-250,000   |
| 4  | Input info here       | Input info here                | Choose an item.  | Choose an item.   |
| 5  | Input info here       | Input info here                | Choose an item.  | Choose an item.   |

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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

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

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | The Audit Committee is chaired by Mr. Mohanadas A/L K.P.Balan, an Independent Non-Executive Director, who is not the Chairman of the Board. |
| <b>Explanation for departure</b>   | : |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

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

|  |   |  |
|--|---|--|
| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | <p>None of the members of the Audit Committee were former audit partners of the Group's external audit firm.</p> <p>The Terms of Reference of the Audit Committee requires specifically that a former external partner of the Group's audit firm observes a cooling-off period of at least three (3) years before being eligible to be appointed as a member of the Audit Committee.</p> <p>A copy of the Terms of Reference of the Audit Committee is available on the Company's website at <a href="http://www.kheesanbhd.com">www.kheesanbhd.com</a>.</p> |
| <b>Explanation for departure</b>   | : |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.3**

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

|   |   |  |
|---|---|--|
| <b>Application</b>  | : | Applied  |
| <b>Explanation on application of the practice</b>   | : | <p>The Audit Committee conducts annual assessment via questionnaires on the suitability and independence of the External Auditors, including their performance, quality of audit process, adequacy of audit scope, independence and non-audit services, taking also into consideration the comments of the Management. Considering the expertise and business knowledge of the External Auditors, the Audit Committee is of the opinion that the External Auditors is suitable and independent and recommended their re-appointment to the Board and for the shareholders' approval at the annual general meeting.</p> <p>The External Auditors have declared their independence to the Audit Committee and their compliance with By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). The Audit Committee has also obtained a written assurance from the External Auditors confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> |
| <b>Explanation for departure</b>  | : |  |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> |   |  |
| <b>Measure</b>  | : |  |
| <b>Timeframe</b>  | : |  |

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

|  |   |  |
|--|---|--|
| <b>Application</b>                             | : | Adopted  |
| <b>Explanation on adoption of the practice</b> | : | The Audit Committee comprises all Independent Non-Executive Directors. |

### **Intended Outcome**

There is an effective and independent Audit Committee.

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

### **Practice 9.5**

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

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

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | <p>The Audit Committee Chairman, Mr. Mohanadas A/L K.P.Balan is a Chartered Accountant and a member of the Malaysian Institute of Accountants. Collectively, the Audit Committee members are financially literate and able to raise questions to ascertain whether the financial statements are consisted with operational and other known information during the Audit Committee Meeting.</p> <p>All members of the Audit Committee are encouraged to attend various professional programmes deemed necessary to ensure that they are kept abreast on various issues facing the changing business environment within which the Group operates, in order to filfill their duties as members of the Audit Committee.</p> <p>The details of the trainings attended by the Audit Committee members for the FYE 2025 are disclosed in the Annual Report 2025.</p> |
| <b>Explanation for departure</b>   | : |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

### **Intended Outcome**

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

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

### **Practice 10.1**

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

|  |   |  |
|--|---|--|
| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | <p>The Board established a Risk Committee comprising a majority of Independent Directors. The primary responsibility and purpose of the Risk Committee is to assist the Board in fulfilling its responsibility with respect to evaluating, reviewing and monitoring the Group's risk management framework and activities on on-going basis. The Risk Committee reports to the Board regarding the Group's risk exposures, including review risk assessment model used to monitor the risk exposures and Management's view on the acceptable and appropriate level of risks faced by the Group.</p> <p>Further information on the Group's risk management and internal control framework is presented in the Statement of Risk Management and Internal Control of the Company's Annual Report 2025.</p> |
| <b>Explanation for departure</b>   | : |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

### **Intended Outcome**

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

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

### **Practice 10.2**

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

|  |   |  |
|--|---|--|
| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | <p>The Board has disclosed the features of its risk management and internal control framework, the adequacy and the effectiveness of this framework are set out in the Statement of Risk Management and Internal Control ("SORMIC") in the Annual Report 2025.</p> <p>The SORMIC which has been reviewed by the external auditors provides an overview of the state of risk management and internal control within the Group governed by the frameworks.</p> |
| <b>Explanation for departure</b>   | : |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

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

|  |   |   |
|--|---|---|
| <b>Application</b>                             | : | Adopted   |
| <b>Explanation on adoption of the practice</b> | : | <p>The Risk Committee comprises a majority of Independent Directors. The members of the Risk Committee are as follows:</p> <p>(a) Mr. Ong Phui Fatt – Chairman / Independent Non-Executive Director<br/>(b) Puan Suzana Manja Binti Ibrahim – Member / Independent Non-Executive Director<br/>(c) Mr. Edward Tan Juan Peng – Member / Chief Executive Officer</p> |

**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.

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | The Group's Internal Audit function is outsourced to a professional services firm which reviews and evaluates the adequacy and effectiveness of the Group's risk management and internal control system and reports directly to the Audit Committee. The Internal Auditors conducted independent audit within the Group and reported their findings to the Audit Committee during its quarterly meetings. |
| <b>Explanation for departure</b>   | : |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

### Intended Outcome

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

### Practice 11.2

The board should disclose—

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

|  |  |
|--|--|
| <b>Application</b>   | : Applied  |
| <b>Explanation on application of the practice</b>  | <p>The Audit Committee had evaluated the appointed Internal Auditors i.e. Resolve IR Sdn Bhd and was satisfied with the suitability and independence of the Internal Auditors.</p> <p>Mr. Choo Seng Choon of Resolve IR is the Managing Director responsible for the internal audit of the Group. He is a Chartered Member of the Institute of Internal Auditors Malaysia (CIIA). The number of staff engaged in the internal audit reviews ranged from 3 to 4 staff per visit.</p> <p>The outsourced professional internal audit firm is free from any relationships or conflicts of interest, which could impair their objectivity and the number of resources in the internal audit firm are qualified and adequate for them to discharge their duties as Internal Auditors for the Group and the Internal Audit function is carried out in accordance with the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.</p> |
| <b>Explanation for departure</b>   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |  |
| <b>Measure</b>   |  |
| <b>Timeframe</b>   |  |

**Intended Outcome**

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

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

**Practice 12.1**

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

|  |   |  |
|--|---|--|
| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | Through its website <a href="http://www.kheesanbhd.com">www.kheesanbhd.com</a> and its announcements on Bursa Securities' website, the Group shares mandatory public announcements as well as publishes its quarterly and annual results. The quarterly financial results are announced to Bursa Securities via Bursa LINK immediately after the Board's approval. This is important in ensuring equal and fair access to information by the investing public. |
| <b>Explanation for departure</b>   | : |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

### **Intended Outcome**

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

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

### **Practice 12.2**

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

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

**Intended Outcome**

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

**Practice 13.1**

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

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | <p>The Notice for the 29<sup>th</sup> AGM that was held on 28 November 2024 was issued on 18 October 2024 which is more than the 28 days recommended notice period. This gave shareholders sufficient time to read and consider the resolutions to be resolved and enable shareholders to make an informed decision in exercising their voting rights.</p> <p>The notice of the coming 30th AGM which will be held on 21 November 2025, was sent to the shareholders on 23 October 2025, giving at least (28) days in advance of the meeting.</p> |
| <b>Explanation for departure</b>   | : |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

**Intended Outcome**

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.

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | The 29 <sup>th</sup> AGM of the Company held on 28 November 2024 at Banquet Hall, Royal Lake Club Kuala Lumpur, Taman Tasek Perdana, Jalan Cenderamulia, Off Jalan Parlimen, 50480 Kuala Lumpur were attended by all Directors. The Chairman engaged with shareholders and provided answers during the Q&A session proactively. |
| <b>Explanation for departure</b>   | : |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

### **Intended Outcome**

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

### **Practice 13.3**

Listed companies should leverage technology to facilitate—

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

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

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | <p>The Board is of the view that the Company does not have a large number of shareholders to warrant the voting in absentia and the venue of the AGM is located within city area which is easily accessible. During the last AGM held on 28 November 2024, a total of 123 shareholders and proxy holders attended.</p> <p>As of 26 September 2025, the Company has approximately 1,970 shareholders. The 30th AGM will be held at Perdana Room I &amp; II, Royal Lake Club Kuala Lumpur, Taman Tasek Perdana, Jalan Cenderamulia, Off Jalan Parlimen, 50480 Kuala Lumpur on Friday, 21 November 2025.</p> |
| <b>Explanation for departure</b>   | : |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

### Intended Outcome

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.*

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | During the 29th AGM, sufficient time was provided for the shareholders to pose their questions during the meetings and the Board had ensured that all questions were given a meaningful response. |
| <b>Explanation for departure</b>   | : |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

### Intended Outcome

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

### Practice 13.5

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

*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.*

|  |  |
|--|--|
| <b>Application</b>   | Not applicable – only physical general meetings were conducted in the financial year |
| <b>Explanation on application of the practice</b>  |  |
| <b>Explanation for departure</b>   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |  |
| <b>Measure</b>   |  |
| <b>Timeframe</b>   |  |

### Intended Outcome

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

### Practice 13.6

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.*

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | The Minutes of the 29th AGM, which includes the questions raised by shareholders together with the responses by the Company and outcome of the voting results, was made available to the shareholders within thirty (30) business days after the 29th AGM at <a href="http://www.kheesanbhd.com">www.kheesanbhd.com</a> . |
| <b>Explanation for departure</b>   | : |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

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

Click or tap here to enter text.

