



KIA LIM BERHAD

Reg. No. 199501013667 (342868-P)

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ANNUAL REPORT 2023

KIA LIM BERHAD

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2023
ANNUAL REPORT

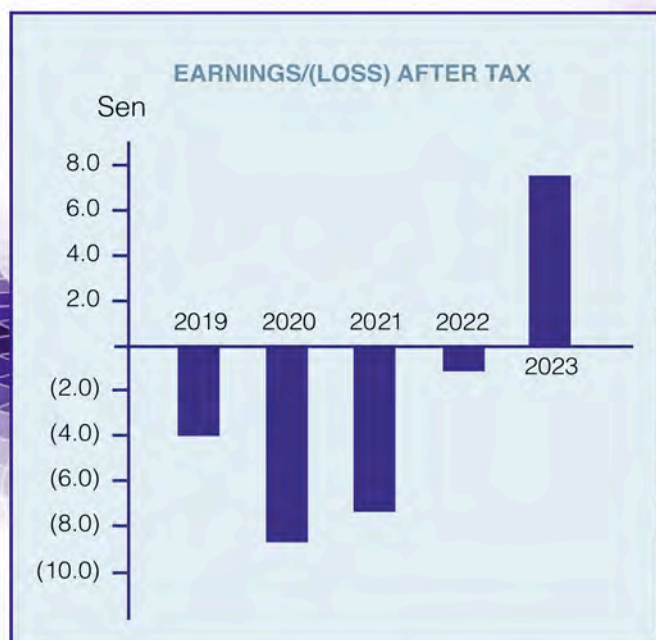
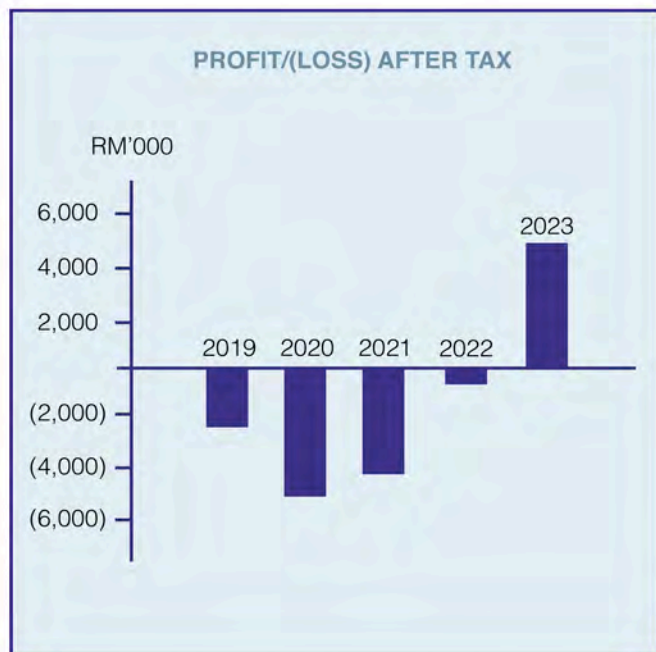
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GROUP FINANCIAL HIGHLIGHTS



Financial Year Ended 31 December	Revenue RM'000	Profit/ (Loss) After Tax RM'000	Earnings/ (Loss) After Tax Sen
2019	37,987	(2,462)	(4.0)
2020	25,540	(5,222)	(8.4)
2021	22,329	(4,831)	(7.8)
2022	29,236	(734)	(1.2)
2023	36,258	4,874	7.9



Vision

To be a leading clay brick manufacturer
in Southeast Asia with a strong
brand name and strong regional
market penetration

Mission

To provide a comprehensive range of
quality products to meet customers' needs
and create value for stakeholders

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 29th Annual General Meeting (“29th AGM”) of Kia Lim Berhad will be held at The Katerina Hotel, 8, Jalan Zabedah, 83000 Batu Pahat, Johor Darul Takzim on Thursday, 30 May 2024 at 12.00 noon to transact the following businesses.

Agenda

ORDINARY BUSINESS

- To receive the Audited Financial Statements for the year ended 31 December 2023 together with the Directors’ and Auditors’ Report thereon. *Refer to Note (a)*
- To approve the payment of Directors’ fees amounting to RM37,000 per annum for the Non-Executive Chairman, RM22,000 per annum for each of the Non-Executive Directors (“NEDs”), and RM19,400 per annum for each of the Executive Directors (“EDs”) in respect of the financial year ending 31 December 2024. *RESOLUTION 1
Refer to Note (b)*
- To approve the proposed payment of Non-Executive Directors’ (“NEDs”) benefits of up to RM22,400 for the financial year ending 31 December 2024 and up to the date of the next AGM of the Company. *RESOLUTION 2
Refer to Note (b)*
- To re-elect the following Directors who retire in accordance with Article 90 of the Company’s Constitution and being eligible, offer themselves for re-election:
 - Mr Ng Chin Kang *RESOLUTION 3
Refer to Note (c)*
 - Puan Haryanti Binti Othman *RESOLUTION 4
Refer to Note (c)*
- To re-appoint Messrs Ernst & Young PLT as Auditors of the Company and authorise the Directors to fix their remuneration. *RESOLUTION 5
Refer to Note (d)*
- To transact any other business appropriate to an AGM, due notice of which shall have been previously given in accordance with the Act and the Company’s Constitution.

BY ORDER OF THE BOARD

SANTHI A/P SAMINATHAN
MAICSA No.: 7069709
SSM PC No.: 201908002933

Company Secretary

Johor Bahru
30 April 2024

NOTES:

Only depositors whose name appear in the Record of Depositors as at 24 May 2024 shall be regarded as member of the Company entitled to attend, speak and vote at this Meeting or appoint proxy(ies) to attend, speak and vote in his stead.

- A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. The proxy need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of a company shall have the same rights as the member to speak at the meeting.
- A member shall be entitled to appoint more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting.
- Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“SICDA”) which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus accounts it holds. Where a member is an authorised nominee as defined under SICDA, it may appoint one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its attorney.
- The instrument appointing a proxy must be deposited at Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.

Personal Data Privacy:

By submitting the duly executed proxy form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 29th AGM of the Company and any adjournment thereof.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

- (a) This Agenda item is meant for discussion only as the provision of Section 340(1) (a) of the Companies Act, 2016 does not require a formal approval of the shareholders and hence, it is not put forward for voting.

- (b) Directors' fees and benefits

Directors' remuneration

Section 230(1) of the Companies Act, 2016 provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at 29th AGM on the Directors' remuneration tabled in Resolutions 1 and 2.

Directors' fees

The Board proposed that the Directors' fees for financial year ("FY") ending 31 December 2024 be increased as compared to the previous FY subject to the performance of the Company and the current global economy. The detailed Directors' fees for FY ended 31 December 2023 are contained in page 21 of Corporate Governance Overview Statement in the Annual Report.

Benefits payable to Directors

The benefits payable to Directors comprised of the allowance and other emoluments payable to the Chairman and members of the Board of the Company and its subsidiaries.

The Directors' current and proposed remuneration structure is detailed as below:

Remuneration for Directors of the Company	2023 Amount (RM)	2024 Proposed Amount (RM)
Fee for Chairman	35,000	37,000
Fee for each Independent Non-Executive Director	20,000	22,000
Fee for each Executive Director	15,000	17,000
Fee for each Executive Director of subsidiary company	1,200	1,200
Meeting Allowance per meeting *	800	800

* Only for NEDs

Payment of benefits to the Directors will be made by the Company as and when incurred, after they have discharged their responsibilities and rendered their services to the Company for the FY ending 31 December 2024, based on the proposed benefits, if the proposed Resolution 2 is passed at the 29th AGM.

- (c) Re-election of Directors who retire in accordance with Article 90 of the Company's Constitution.

Article 90 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 29th AGM, the Nomination Committee ("NC") has considered the following:

- (1) The assessment of the individual Director's level of contribution to the Board through each of their skills, experience and strength in qualities; and
- (2) The level of independence demonstrated by each of the NEDs, and their ability to act in the best interests of the Company in decision-making, to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.

In line with the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") and Paragraph 2.20A of the Main Market Listing Requirements ("MMLR"), the Board had, through the NC, conducted an assessment of independence of the NEDs, and also other criteria i.e. character, integrity, competence, experience and time commitment in effectively discharging their respective roles as Directors of the Company. The Directors were assessed based on performance criteria set in the areas of Board dynamics and participation, competency and capability, independence and objectivity, probity and personal integrity, contribution and performance together with their ability to make analytical inquiries and offer advice and guidance.

The Board accepted the NC's recommendation that the Directors who retire in accordance with Article 90 of the Company's Constitution are eligible to stand for re-election. All these retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board meeting.

- (d) Re-appointment of Auditors

Pursuant to Section 273(b) of the Act, the term of office of the present Auditors, Messrs Ernst & Young PLT, shall lapse at the conclusion of this AGM unless they are re-appointed by the shareholders to continue in office. Messrs Ernst & Young PLT, have indicated their willingness to continue their service until the conclusion of next AGM. The re-appointment of Messrs Ernst & Young PLT as Auditors has been considered against the relevant criteria prescribed by Paragraph 15.21 of the MMLR. This proposed Resolution 5, if passed, will also give the Directors of the Company, the authority to determine the remuneration of the Auditors.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

There are no individuals who are standing for election as Directors at the forthcoming 29th AGM of the Company other than the Directors standing for re-election.

The profiles of the Directors are stated on pages 7 and 8 of the Annual Report 2023.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Loh Chee Kan - Chairman
Non-Independent Non-Executive Director
Mr Ng Chin Kang - Chief Executive Officer #
Executive Director
Datuk Ng Yeng Keng @ Ng Ka Hiat
Executive Director
Mr Vincent Wong Soon Choy *
Independent Non-Executive Director
Mr Chua Syer Cin ^
Independent Non-Executive Director
Ms Sam Ming Chia
Independent Non-Executive Director
Pn Haryanti Binti Othman
Independent Non-Executive Director
Mr Ng Cheng Woon
Alternate Director to Datuk Ng Yeng Keng

AUDIT COMMITTEE

Mr Vincent Wong Soon Choy (*Chairman*)
Ms Sam Ming Chia
Pn Haryanti Binti Othman

RISK MANAGEMENT COMMITTEE

Pn Haryanti Binti Othman (*Chairman*)
Mr Vincent Wong Soon Choy
Mr Ng Chin Kang

NOMINATION COMMITTEE

Ms Sam Ming Chia (*Chairman*)
Pn Haryanti Binti Othman
Mr Vincent Wong Soon Choy

REMUNERATION COMMITTEE

Mr Vincent Wong Soon Choy (*Chairman*)
Ms Sam Ming Chia
Pn Haryanti Binti Othman

AUDITORS

Ernst & Young PLT (Chartered Accountants)
B-15, Medini 9
Persiaran Medini Sentral 1
Bandar Medini Iskandar
79250 Iskandar Puteri
Johor Darul Takzim

COMPANY SECRETARIES

Ms Tai Yit Chan
(MAICSA No.: 7009143)
(SSM PC No.: 202008001023)
Ms Santhi A/P Saminathan
(MAICSA No.: 7069709)
(SSM PC No.: 201908002933)

REGISTERED OFFICE

Boardroom Corporate Services Sdn Bhd
Registration Number: 196001000110 (3775-X)
Suite 9D, Level 9
Menara Ansar
65, Jalan Trus
80000 Johor Bahru
Johor Darul Takzim
Tel : 07-224 1035
Fax : 07-221 0891
Email : boardroom-kl@boardroomlimited.com

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
Registration Number: 199601006647 (378993-D)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor
Malaysia
Tel : 03-7890 4700
Fax : 03-7890 4670
Website : www.boardroomlimited.com
Email : bsr.helpdesk@boardroomlimited.com

PRINCIPAL PLACE OF BUSINESS

Wisma Ng Hoo Tee
79 Jalan Muar
83500 Parit Sulong
Batu Pahat
Johor Darul Takzim
Tel : 07-418 7100 / 418 6230
Fax : 07-418 8900
Website : www.kialim.com.my

PRINCIPAL BANKERS

RHB Bank Berhad
Hong Leong Bank Berhad

STOCK EXCHANGE

Main Market of the Bursa Malaysia Securities Berhad
Stock Code : 6211
Stock Name : KIA LIM

Notes:

* (Appointed on 4 April 2023)

^ (Resigned on 4 April 2023)

(Re-designated on 28 March 2024)

PROFILE OF BOARD OF DIRECTORS

MR LOH CHEE KAN, aged 69, male, Malaysian, was appointed as an Independent Non-Executive Director of Kia Lim Berhad ("KLB") on 5 March 1996 and redesignated as Independent Non-Executive Chairman of the Company on 1 March 2011. Subsequently, on 4 April 2023, he was redesignated as Non-Independent Non-Executive Chairman of the Company.

He obtained his Bachelor of Science (Honours) Degree in Management Sciences from the University of Warwick in the United Kingdom in 1978. His career experience includes a twelve (12) years attachment with an international audit and consultancy practice, and later with Juan Kuang (M) Industrial Bhd where he stayed for two (2) years. He is currently with the JK Capital Sdn Bhd group of companies which he helped established since 1998.

Mr Loh Chee Kan has no shareholding in the Company or in any of its subsidiaries; no family relationship with any Director and/or major shareholder of the Company; no conflict of interest with the Company; has no conviction for any offence within the past five (5) years other than traffic offences, if any and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MR NG CHIN KANG, aged 53, male, Malaysian, was appointed as Executive Director of KLB on 26 November 2001. On 28 March 2024, Mr Ng was redesignated as Chief Executive Officer ("CEO") of the Company. Presently, he is also a member of the Risk Management Committee. He graduated with a Bachelor of Commerce with Honours degree from University of Western Australia and ASIA Graduate Diploma from Security Institute of Australia. He also holds a MBA from Sydney University and Master of Arts in Business Research from Macquarie University, Australia.

He worked with Medical Benefits Funds of Australia Limited in the senior executive management team from 1999 to March 2002. Prior to that, he had served as senior officer in the investment banking arm of Commonwealth Bank of Australia for approximately five (5) years. He is also a Director of several other private limited companies.

Mr Ng Chin Kang is the nephew of Datuk Ng Yeng Keng, the Director and/or major shareholder of the Company and cousin of Mr Ng Cheng Woon. He has no conflict of interest with the Company; has no conviction for any offence within the past five (5) years other than traffic offences, if any and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

DATUK NG YENG KENG @ NG KA HIAT, aged 78, male, Malaysian, was appointed as Executive Director of KLB on 5 March 1996 and redesignated as Deputy Managing Director on 29 November 2006. Subsequently, on 8 October 2007, he was redesignated as CEO of the Company. On 28 March 2024, He relinquished his position as the CEO of the Company.

He has more than fifty (50) years of experience in the manufacturing of clay bricks, building and civil engineering works. He was an Executive Director of Syarikat Kayu Wangi Berhad from 1981 to 2005. He also sits on the Board of several other private limited companies.

Datuk Ng Yeng Keng is the uncle of Mr Ng Chin Kang, the Director and/or major shareholder of the Company. He has no conflict of interest with the Company; has no conviction for any offence within the past five (5) years other than traffic offences, if any and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MR VINCENT WONG SOON CHOY, aged 55, male, Malaysian, was appointed as an Independent Non-Executive Director of KLB on 4 April 2023. Presently, he is the Chairman of the Audit Committee and the Remuneration Committee, and he is also a member of the Nomination Committee and the Risk Management Committee of the Company.

He obtained a Bachelor of Commerce Degree majoring in Accountancy and minor in Internal Audit from Flinders University of South Australia, Adelaide, Australia. He is also a Member of Malaysian Institute of Accountants ("MIA") and Certified Practising Accounts ("CPA") Australia. He has more than thirty (30) years of working experience with exposures to corporate finance, auditing, compliance, tax planning, group accounts, corporate governance, corporate planning and restructuring garnered from his previous employment positions held including as Head of Operation for a leading stock broking company, Group Financial Controller for a property development group and auditing experience with a big four audit firm. He is currently the Board member of Cabnet Holdings Berhad and the Chief Financial Officer of UUE Holdings Berhad.

Mr Vincent Wong Soon Choy has no shareholding in the Company or in any of its subsidiaries; no family relationship with any Director and/or major shareholder of the Company; no conflict of interest with the Company; has no conviction for any offence within the past five (5) years other than traffic offences, if any and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MS SAM MING CHIA, aged 51, female, Malaysian, was appointed as an Independent Non-Executive Director of KLB on 31 December 2021. Presently, she is the Chairman of Nomination Committee, and also a member of the Audit Committee and Remuneration Committee of the Company. She graduated in 1997 with a Bachelor of Commerce with Majoring in Accounting from Curtin University of Technology, Perth, Western Australia. She is presently a member of Malaysian Institute of Accountants (“MIA”) and Certified Practising Accountants (“CPA”) Australia.

Upon graduation, she joined the Ernst & Young PLT, as an Assistant Manager, from years 2004 to 2008, she was the Group Accountant of Yick Hoe Metal Industries Sdn Bhd, and later, she was with Moore Stephens Associates & Co., which subsequently changed its name to BP Associates, as an Audit Director where she stayed for fourteen (14) years. Currently, she is an Audit Manager of Koo & Co, an audit firm in Johor Bahru.

Ms Sam Ming Chia has no family relationship with any Director and/or major shareholder of the Company; no conflict of interest with the Company; has no conviction for any offence within the past five (5) years other than traffic offences, if any and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PN HARYANTI BINTI OTHMAN, aged 47, female, Malaysian, was appointed as an Independent Non-Executive Director of KLB on 31 December 2021. Presently, she is the Chairman of Risk Management Committee, and also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.

She obtained her Bachelor of Law (Honours) Degree from University Kebangsaan Malaysia (UKM) in 2000. Since graduation, she has been practicing as a legal assistant in several law firms before setting up her own legal firm, Messrs Haryanti Othman Associates with her partner in 2013. She is a Syariah Practitioner since 2006 and have attended various Islamic Banking Courses.

Pn Haryanti Binti Othman has no family relationship with any Director and/or major shareholder of the Company; no conflict of interest with the Company; has no conviction for any offence within the past five (5) years other than traffic offences, if any and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MR NG CHENG WOON, aged 41, male, Malaysian, was appointed as Alternate Director to Datuk Ng Yeng Keng on 21 September 2021. He graduated with a Bachelor of Science with First Class Honours Degree in the field of Economics from Landon School of Economics and Political Science, UK. He is a businessman and entrepreneur with more than sixteen (16) years of experience.

Mr Ng Cheng Woon is the son of Datuk Ng Yeng Keng, and cousin of Mr Ng Chin Kang, the Directors and/or major shareholders of the Company. He has no conflict of interest with the Company; He has no conflict of interest with the Company; has no conviction for any offence within the past five (5) years other than traffic offences, if any and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Note:

Please refer to page 77 of this Annual Report for Directors' shareholdings.

PROFILE OF KEY SENIOR MANAGEMENT

The Management team is headed by the Chief Executive Officer, Datuk Ng Yeng Keng @ Ng Ka Hiat, Datuk Ng is assisted by the Executive Director, Mr Ng Chin Kang; and the following key senior management team:

MR ONG YU HOCK

Group General Manager

Nationality : Malaysian

Age / Gender : 52 / Male

Date of appointment : 10 November 2003

Qualification(s) :

1. Fellow of the Association of Chartered Certified Accountants, United Kingdom
2. Chartered Accountant of the Malaysian Institute of Accountants ("MIA").

Experience :

Mr Ong started his career with Ernst & Young in Assurance and Advisory Business Services in year 1998. In year 2002, he joined the glass containers division of a public listed company before joining KLB as Group Accountant in year 2003. In year 2006, he was promoted to the position of Assistant General Manager and subsequently promoted to the position of General Manager in year 2013. He was then promoted as Group General Manager in Year 2023, and he holds this position until present. He was formerly a member of the Board of Governors of an International School.

Mr Ong has no family relationship with any Director and/or Substantial Shareholder of the Company. He has no conflict of interest with the Company and has not been convicted of any offence within the past five (5) years other than traffic offences, if any.

MR NG CHENG YEW

General Manager (Operations)

Nationality: Malaysian

Age / Gender : 45 / Male

Date of appointment : 11 July 2001

Qualification(s) :

Bachelor of Computer Science with Honours Degree from the University of Coventry in the United Kingdom.

Experience :

Mr Ng joined KLB in 2001 and worked as I.T. Officer. He managed to convert the existing manual operations into computerized environment to speed up Group work flows. He was then promoted and joined Management as Business Development Assistant Manager in 2004. He was entrusted to analyze, resolve and improve operational matters during this time. In Year 2008, he was then promoted as Manufacturing Manager and appointed to be in charge of Production Department. This included changing the existing production management model into functional cross-management model. Performance based evaluation was implemented. In Year 2013, he was then promoted as General Manager (Operations) to be in charge of all operational matters in KLB.

Mr Ng is the son of Datuk Ng, brother of Mr Ng Cheng Woon and cousin of Mr Ng Chin Kang, the Directors and/or Substantial Shareholders of the Company. He has no conflict of interest with the Company and has not been convicted of any offence within the past five (5) years other than traffic offences, if any.

MR NG AH CHAI

Senior Sales Manager

Nationality : Malaysian

Age / Gender : 62 / Male

Date of appointment : 18 December 1999

Qualification(s) :

Bachelor of Science with Honours Degree (Housing, Building and Planning) from the University Sains Malaysia.

Experience :

Mr Ng joined the Group in year 1999 and is responsible for both local and overseas sales and marketing and he holds this position until present. He has vast experience, more than thirty (30) years in building materials trading and throughout the years, he has established close relationship with many contractors, nationwide distributors and hardware dealers.

Mr Ng has no family relationship with any Director and/or Substantial Shareholder of the Company. He has no conflict of interest with the Company and has not been convicted of any offence within the past five (5) years other than traffic offences, if any.

MADAM ER LAY HONG

Accounts and Finance Manager

Nationality: Malaysian

Age / Gender : 65 / Female

Date of appointment : 1 November 1989

Qualification(s) :

Bachelor of Commerce Degree (International Trade) from the National Chengchi University, Taiwan.

Experience :

Madam Er joined Syarikat Kia Lim Kilang Batu Bata Sdn Bhd, the wholly owned subsidiary of KLB in year 1989 as Accounts Officer and was subsequently be promoted to various other positions before her promotion to current position of the Group in year 2011. She is responsible for the accounting and finance related matters of the Group, including financial control and accounting function.

Madam Er has no family relationship with any Director and/or Substantial Shareholder of the Company. She has no conflict of interest with the Company and has not been convicted of any offence within the past five (5) years other than traffic offences, if any.

MR TEO LAI HEYONG

Factory Manager

Nationality : Malaysian

Age / Gender : 66 / Male

Date of appointment : 1 July 1992

Qualification(s) :

Bachelor of Commerce Degree from the Soochow University, Taiwan.

Experience :

Mr Teo joined Syarikat Kia Lim Kilang Batu Bata Sdn Bhd, the wholly owned subsidiary of KLB in year 1992 and is responsible for the production, planning and control as well as maintenance aspect of the factory and he holds this position until present.

Mr Teo has no family relationship with any Director and/or Substantial Shareholder of the Company. He has no conflict of interest with the Company and has not been convicted of any offence within the past five (5) years other than traffic offences, if any.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Kia Lim Berhad (“Kia Lim” or “the Company”) and its subsidiaries (“the Group”) fully supports the Malaysian Code on Corporate Governance (“MCCG” or “the Code”), and is committed to ensure that the Principle and Recommended Practices are observed and practised throughout the Group so that the affairs of the Group are conducted with professionalism, accountability and integrity with the objective of safeguarding and enhancing shareholders’ value and financial performance of the Group.

The Corporate Governance Overview Statement (“Statement”) is made pursuant to Paragraph 15.25 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and guidance was drawn from the Key CG principles as set out in the MCCG.

This Statement is prepared in compliance with MMLR and is to be read together with the Corporate Governance Report 2023 (“CG Report”) of the Company which is available on the Company’s website, www.kialim.com.my as well as via an announcement on the website of the Bursa Securities.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

Part I – Board’s Responsibilities

1. Board Leadership on Objectives and Goals

1.1 Strategic Aim, Value and Standards

The Company is led and managed by experienced Board comprising members with a wide range of experience and expertise in relevant fields. The Board has overall responsibility for corporate governance, strategic direction, overseeing the conduct of the Group’s business and its management, reviewing the adequacy and the integrity of the Group’s internal control systems. It is the ultimate body in decision making for outlining and implementation of corporate objectives and directions.

All decisions of the Board are based on decision of the majority and no single Board member can make any decision on behalf of the Board, unless duly authorised by the Board. As such, no individual or a group of individuals dominate the decision making process. This enables the Board to effectively discharge its principal responsibility as set out in the Code.

Having recognised the importance of an effective and dynamic Board, the Board has established and adopted a Board Charter to ensure that all Board members are aware of the Board’s fiduciary and leadership functions. The Board also facilitates its principal responsibilities which include reviewing and adopting a strategic plan, overseeing the conduct of business, risk management, succession planning, developing and implementing investor relations and reviewing internal controls. The Board has established the following Board Committees to assist and advise the Board in fulfilling its duties and responsibilities:

- Audit Committee (“AC”)
- Risk Management Committee (“RMC”)
- Nominating Committee (“NC”)
- Remuneration Committee (“RC”)

Each Board Committee’s role has been spelt out in its own specific terms of reference as approved by the Board. The powers and authority delegated to these Board Committees are also set out in the terms of reference of each of the Committees and are available on the Company’s website.

1.2 The Chairman

The appointment of a capable Chairman to lead the Board is crucial for the creation of a good governance culture and fostering trust which supplement the Board structure and formal governance regulations vis-à-vis embedding high standards of governance in the Company.

The Board is headed by Mr Loh Chee Kan, the Non-Independent Non-Executive Chairman. As Chairman, he plays a vital role in leading and guiding the Board, and also serves as the communication point between the Board and the Chief Executive Officer (“CEO”).

1.3 Chairman and Chief Executive Officer

There is a clear and distinct division of responsibility between the Chairman and the CEO to ensure a proper balance of power and authority. The CEO, Datuk Ng Yeng Keng has the executive responsibility to manage the business. He is assisted in the management of the business on a day-to-day basis by the Executive Directors and an experienced Management team. He has extensive knowledge and experience in the manufacturing of clay bricks, building and civil engineering works, sawmilling, logging and manufacturing of wood-based products and has the caliber to ensure that strategies and policies approved by the Board are effectively implemented.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part I – Board's Responsibilities (Cont'd)

1. Board Leadership on Objectives and Goals (Cont'd)

1.4 The Chairman of the Board Must Not Chair Any of the Board Committees

Board Chairman should not be a member of the AC, NC or RC.

Having the same person assumed the positions of Chairman of the Board, and Chairman of the AC, NC or RC gives rise to the risk of self-review and may impair the objectivity of the Chairman and the Board when deliberating on the observations and recommendations put forth by the Board Committees. Thus, the Chairman of the Board is not involving in these Committees to ensure there is a check and balance as well as objective review by the Board.

1.5 Qualified and Competent Company Secretaries

The Company is supported by qualified and competent Company Secretaries who are members of the relevant professional bodies.

The Company Secretaries play an advisory role to the Board, particularly with regards to the Board policies and procedures, corporate disclosure obligations, compliance with statutory and regulatory requirements as well as adoption of corporate governance best practices. The Company Secretaries also ensure that all Board and Board Committees meetings are properly convened and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory records and registers of the Company.

The Company Secretaries attended the 2023 Annual General Meeting ("AGM") held on 30 May 2023 and all Board and Board Committees meetings during the financial year ended 31 December 2023. The Company Secretaries ensures that all deliberations at the AGM and all Board and Board Committees meetings are properly minuted for the Board's reference and for action plans to be communicated to the Management to work on and to report back to the Board.

The Company Secretaries constantly keep themselves abreast on matters concerning company law, the capital markets, corporate governance, and other pertinent matters through continuous training and industry updates.

The Board is satisfied with the performance and support rendered by the Company Secretaries who play a vital role to the Board in discharging its function and duties.

1.6 Access to Information and Advice

Prior to each Board meeting, all Directors will receive a full set of Board papers with due notice of issues to be discussed in a timely manner. Relevant Directors will provide explanation on pertinent issues. All proceedings and the conclusions from the Board meetings are minuted and signed by the Chairman in accordance with the provision of Section 343(3) of the Companies Act, 2016.

The Board is kept updated on the Company's financial performance activities and operations as well as other performance factors on a regular basis. The Chairman of each of the Board Committees is responsible for informing the Board at the Directors' meetings of any salient matters noted by the Committees and which may require the Board's direction. All Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries on any updates relating to new statutory and regulatory requirements pertaining to the duties and responsibilities of Directors, and promptly disseminates communications received from the relevant regulatory/governmental authorities.

Senior Management staff as well as advisers and professionals appointed to act for the Company are invited to attend the meetings to furnish the Board with their views and explanations on relevant agenda items tabled to the Board and to provide clarification on issues that may be raised by any Director. Minutes of the Board meetings are also maintained by the Company Secretaries.

In addition, the Board has put in place a procedure for Directors, whether as a full Board or in their individual capacity, to have access to all information within the Company and to take independent advice where necessary, in the furtherance of their duties and at the Company's expense.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part I – Board's Responsibilities (Cont'd)

2. Demarcation of Responsibilities

2.1 Board Charter

The Board has established clear functions reserved for the Board and those delegated to the Management and this is documented in the Board Charter, which is published on the Company's website. The Board Charter adopted by the Board sets out the Board's strategic intent and outlines the Board's roles and responsibilities, providing insights and guidance to the Board and the Management concerning their roles and division of responsibilities.

Any amendment to the Board Charter can only be approved by the Board. The Board Charter is reviewed periodically as and when the need arises to ensure that the dynamic needs of the Group are consistently met. The Board had performed a review on 30 May 2023 of the Board Charter to ensure its consistency with the MMLR and its relevance.

3. Good Business Conduct and Corporate Culture

3.1 Directors' and Employees' Code of Conduct & Ethics

The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The Board understands that it has the responsibility to set the tone and standards of the Company through Directors' and Employees' Code of Conduct & Ethics ("CCE") for the Company and has established the CCE for the charters to articulate acceptable practices and guides the behavior of Directors. The Board is clear on what is considered acceptable behavior and practice in the Company through the CCE's policy.

In addition to the Directors' CCE, an Employees' CCE was also established by the Board to help the Company to achieve the right things in right manner at all times, in areas such as managing conflicts of interest, abuse of power, corruption, insider trading and money laundering.

All employees are required to strictly adhere to the CCE. Any non-compliance with the CCE is to be reported to the Heads of Department or Human Resources and Administration Department for further deliberation and decision.

The Directors' and Employees' CCE are published on the Company's website.

3.2 Whistleblowing Policy

The Board has developed a Whistleblowing Policy which is in line with the Board's effort to encourage employees to report genuine concerns in relation to breach of a legal obligation (including negligence, criminal activity, breach of contract and breach of law), miscarriage of justice, danger to health and safety or to the environment and the cover-up of any of these in the workplace. The Board ensures that the Whistleblowing Policy sets out avenues where legitimate concerns can be objectively investigated and addressed. Individuals should be able to raise concerns about illegal, unethical or questionable practices in confidence and without the risk of reprisal.

The Whistleblowing Policy is published on the Company's website. There was no whistleblowing case reported during the financial year ended 31 December 2023.

3.3 Directors' Fit and Proper Policy

The Board had on 24 May 2022 adopted the Directors' Fit and Proper Policy in line with the requirement of the MMLR to ensure a formal, rigorous and transparent process for appointment and re-election of Directors of the Group. The Directors' Fit and Proper Policy is published on the Company's website.

3.4 Anti-Bribery and Anti-Corruption Policy

In line with Kia Lim's core value on "Integrity", the Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") has been established to promote the growth of Kia Lim's business activities to be free from bribery and corruption practices. The ABAC Policy serves as a guide for the Directors and employees, providing information and guidance on conducting business ethically and transparently while strictly avoiding all forms of bribery and corruption of in the Group's daily operations.

Kia Lim adopts a **ZERO TOLERANCE** policy against all forms of bribery and corruption in its actions and decisions, both internally and externally. The ABAC Policy is published on the Company's website.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part I – Board's Responsibilities (Cont'd)

3. Good Business Conduct and Corporate Culture (Cont'd)

3.5 Conflict of Interest Policy

The Group recognises and is committed to maintaining, observing and practicing high ethical standards of professionalism and integrity at all times in respect of its business and operations. A Conflict of Interest Policy ("COI Policy") has been established to ensure that actual, potential and perceived conflicts of interest are identified and managed effectively. The COI Policy is published on the Company's website.

4. Sustainability Leadership

4.1 Setting Company's Sustainability Strategies, Priorities and Targets

The Board views the commitment to promote sustainability strategies in the environment, social and governance aspects as part of its broader responsibility to all its various stakeholders and the communities in which it operates. The Company strives to achieve a sustainable long-term balance between meeting its business goals, preserving the environment to sustain the ecosystem and improving the welfare of its employees and the communities in which it operates. The Company's efforts in this regard have been set out in the Sustainability Statement in this Annual Report.

4.2 Sustainability Strategies, Priorities and Targets are Communicated to Internal and External Stakeholders

Kia Lim's Annual Report includes a Sustainability Statement which discloses the Company's sustainability strategies, priorities and targets as well as commitment and it serves as the main communication tool of Kia Lim's sustainability matters to the internal and external stakeholders. The Annual Report is available on the Company's website.

4.3 Action Taken to Ensure Sustainability Targets

In view to gain a better understanding of the sustainability issues relevant to Kia Lim and its business, the Board members have attended training on sustainability issues as follows:

- Mandatory Accreditation Programme Part II: Leading for Impact
- Introduction to Environmental, Social & Governance and Sustainable Finance
- Board Oversight of Climate Risks and Opportunities
- Elevating Business with Environmental, Social & Governance Integration Excellence

4.4 Review Performance of Sustainability Targets

The Board and Senior Management play an important role in addressing material sustainability risks and opportunities. The yearly performance evaluations of the Board not only focus on financial performance but also include non-financial performance including sustainability.

The annual performance evaluation exercise undertaken by the NC in relation to the effectiveness of the Board includes assessment on proper governance and management of sustainability matters.

4.5 Designated Person to Manage Sustainability Target

The Company has established a Sustainability Working Group ("SWG"), comprising key members of Management from the Group.

The roles of the SWG include:

- To observe and comply with all relevant legislation, regulations and code of practice;
- To consider sustainability issues and integrate these considerations into Kim Lim's business decisions;
- To promote and ensure all employees are aware of, and are committed to, implementing and measuring sustainability activities as part of the Group's strategy, taking into consideration economic, environment and social aspects; and
- To improve Kia Lim's sustainability performance.

In addition to the above, the Board has identified and appointed a designated person as the Company's Chief Sustainability Officer who reports to the CEO to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II – Board Composition

5. Board's Objectivity

5.1 Periodic Refreshment of the Board

The NC has taken action to ensure that the composition of the Board is reviewed periodically. In appointing or reappointing a Board member, the Board will consider the current composition of the Board and to ensure that the Board provides a required mix of responsibilities, skills, experience, independence and diversity (including gender, ethnicity and age). The tenure of each Director will be reviewed by the NC and annual re-election of a Director would be contingent on satisfactory evaluation of the Director's performance and contribution to the Board.

5.2 Composition of the Board

The Board currently has six (6) members, comprising the Chairman, who is a Non-Independent Non-Executive Director ("NINED"), the CEO, one (1) other Executive Director ("ED") and three (3) Independent Non-Executive Directors ("INEDs"). With the above appointments, the Company has thus complied with the practice of the MCCG which requires the Board must comprise at least half (1/2) of Independent Directors.

The Board is in compliance with Paragraph 15.02, Chapter 15 of the MMLR of Bursa Securities, which requires that at least two (2) Directors or one-third (1/3) of the Board of the Company, whichever is the higher, are Independent Directors. In the event of any vacancy in the Board, resulting in non-compliance with the aforesaid, the Company must fill the vacancy within three (3) months.

Current status of Kia Lim Berhad Board composition:

Designation	No. of Director	Percentage (%)
Executive Director	2	33.33
Independent Non-Executive Director	3	50.00
Non-Independent Non-Executive Director	1	16.67
Total	6	100.00

5.3 Tenure of Independent Director

As at the date of this Statement, none of the INEDs have served the Board for a cumulative term of nine (9) years. In line with the MCCG 2021, the NC has assessed the independence of its INEDs, and is satisfied with the level of independence demonstrated by all the INEDs and their ability to act in the best interest of the Company.

5.4 Policy of Independent Director's Tenure

The Board has developed a policy which limits the tenure of its INEDs to twelve (12) years. This is in compliance with Bursa's Enhanced Director Amendments dated 19 January 2022 which limits the tenure of an independent Director to not more than a cumulative period of twelve (12) years.

5.5 Diverse Board and Senior Management Team

In the process of selecting and evaluating candidates for the Board and Senior Management team, the NC takes into consideration suitability for the role, board balance and composition, mix of skills, experience, knowledge and other qualities as well as diversity in terms of gender, age, ethnicity and cultural background.

NC is responsible to recommend to the Board for the appointment of new directors to ensure multiple facets of diversity will be taken into consideration in nominating quality candidates to be appointed to the Board. The Directors appointed are expected to conform that they are able to devote the required time to serve the Board effectively. The Board would 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 would be avoided.

Selection of Senior Management is also based on objective criteria and merit, with due regard to diversity in skills, experience, age and background.

A formal policy for diversity on Board and Senior Management was established to drive the benefits of diverse workforce across the business.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II – Board Composition (Cont'd)

5. Board's Objectivity (Cont'd)

5.6 New Candidates for Board Appointment

In respect of the appointment of Directors, the Company practises a clear and transparent nomination process. The Company will source from unrelated third parties. The shortlisted candidates, unknown to existing Board members, will be interviewed by the NC prior to presentation to the Board for approval.

The appointment of candidates as Directors involves the following steps:

- Step 1: Needs Analysis and Profile Development
- Step 2: Search from potential sources
- Step 3: Selection from the short list
- Step 4: Final deliberation by the NC
- Step 5: Board approval and issue of Letter of Appointment

The proposed candidate must fulfil the criteria set in the Directors' Fit and Proper Policy which is available on the Company's website and it entails among others, the following criteria:

- Probity, personal integrity and reputation;
- Experience, competence and time commitment; and
- Financial integrity.

The Company Secretaries will ensure that all appointments are properly made, that all necessary information is obtained, as well as all legal and regulatory obligations are met.

All new appointees to the Board are given an introduction to familiarise themselves with the Group's operations so as to assist them in discharging their duties and responsibilities. They are required to attend the Mandatory Accreditation Programme ("MAP") Part I and Part II required by MMLR of Bursa Securities and thereafter to continually upgrade their knowledge and exposure through training programmes as well as seminars.

5.7 Information on the Appointment and Re-appointment of a Director

The Board will ensure shareholders have the information they require to make an informed decision on the appointment and re-appointment 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 Company as a whole.

The appointment and re-appointment of a Director is a critical aspect of Corporate Governance, which has an impact on the leadership of the Company. As such, the Board will provide a statement as to whether it supports the appointment or reappointment of the Director and the reason why, and the statement will be included in the notes accompanying the notice of general meeting. Additionally, appointed Director should be political neutral without having any executive powers in politics.

The Constitution of the Company provides that an election of Directors shall take place each year and, at the AGM, one-third (1/3) of the Directors for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election.

All the Directors shall retire from office at least once in three (3) years but shall be eligible for re-election. The Directors to retire in each year shall be those who have been longest in office since their appointment or reappointment

Article 97 of the Company's Constitution provides that the Board shall have power at any time, and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but the number of Directors shall not at any time exceed the number fixed in accordance with the Constitution. Any Director so appointed shall hold office only until the next AGM, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are retire by rotation at the meeting.

5.8 Nomination Committee

The NC is chaired by an Independent Director.

The duties and responsibilities of the NC are as follows:

- Lead the procedures for the selection and appointment of Directors, ensuring that the most suitable candidates for Board position are selected;
- Lead the annual Board effectiveness evaluation, ensuring that the performance of each individual Director and Chairman of the Board are independently assessed; and
- Lead the succession planning for Directors, and other Senior Management Executives, ensuring the continued ability of the organisation to compete effectively in the marketplace.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II – Board Composition (Cont'd)

5. Board's Objectivity (Cont'd)

5.8 Nomination Committee (Cont'd)

The NC comprises solely INEDs as set out below:

Ms Sam Ming Chia	Chairman
Pn Haryanti Binti Othman	Member
Mr Chua Syer Cin (Resigned on 4 April 2023)	Member
Mr Vincent Wong Soon Choy (Appointed on 4 April 2023)	Member

The NC met once during the financial year ended 31 December 2023.

The Terms of Reference of the NC is available on the Company's website.

5.9 Gender Diversity

The Board appreciates the benefits of having gender diversity in the boardroom as well as at the workforce, as a mix-gendered boardroom and workforce would offer different viewpoints, ideas and market insights which enable better decision making and competitive advantages.

Currently, Kia Lim has two (2) women Directors among the six (6) Directors. This is in line with the MCCG 2021's aspiration that all boards should comprise at least 30% women directors, and the Group is also actively reviewed the participation of women in Senior Management.

5.10 Gender Diversity Policy

Kia Lim recognises the benefit of diversity in the broadest sense in boardroom as well as throughout the business. Diversity on the Board and in the Senior Management enables wider perspectives which encourage more effective discussions and better decision-making. Diversity encompasses not only gender and ethnicity but diversity of skills, cultural background, knowledge, international and industry experience and other qualities.

Kia Lim appreciates the benefits of having gender diversity in the boardroom as a mix-gendered board would offer different viewpoints, ideas and market insights which enable better problem solving than the boardroom that dominated by one gender.

Kia Lim believes that, the participation of women in decision-making positions should not be focused on Board positions alone but should be broadened to include Senior Management as the same benefits will apply. Thus, the Board has established gender diversity policies to support the participation of women on the Board as well as Senior Management.

6. Overall Board Effectiveness

6.1 Board Effectiveness Evaluation

During the financial year, the NC had carried out an annual Board Effectiveness Evaluation as an effort to determine and monitor the level of effectiveness of the Board, the AC as well as the Board members. The evaluation process also involved a peer assessment, where Directors will assess the performance of their fellow Directors. These assessments and comments by all Directors were summarised and discussed at the NC meeting which were then reported to the Board at the Board meeting held thereafter. The assessment enables the Board to ensure that each of the Board members has the character, experience, integrity, competence and time to effectively discharge their respective roles.

The Board meets at least five (5) times a year, with additional meetings for particular matters convened as and when necessary. Meetings are scheduled at the start of each financial year to enable Board members to plan their schedules accordingly.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II – Board Composition (Cont'd)

6. Overall Board Effectiveness (Cont'd)

6.1 Board Effectiveness Evaluation (Cont'd)

There were five (5) Board meetings held during the financial year ended 31 December 2023. All Directors attended all the Board meetings held during their tenure. Details of attendance are as follows:

Directors	Status	Number of Meeting Attended
Mr Loh Chee Kan	Chairman & Non-Independent Non-Executive Director	5/5
Datuk Ng Yeng Keng @ Ng Ka Hiatt	Chief Executive Officer	5/5
Mr Ng Chin Kang	Executive Director	4/5
Mr Chua Syer Cin ^	Independent Non-Executive Director	2/2
Mr Vincent Wong Soon Choy *	Independent Non-Executive Director	3/3
Ms Sam Ming Chia	Independent Non-Executive Director	5/5
Pn Haryanti Binti Othman	Independent Non-Executive Director	5/5

^ Resigned on 4 April 2023

* Appointed on 4 April 2023

The following are the records of attendance for Board Committees' meeting held during the financial year ended 31 December 2023:

Audit Committee

Directors	Status	Number of Meeting Attended
Mr Chua Syer Cin ^	Chairman	2/2
Mr Vincent Wong Soon Choy *	Chairman	3/3
Ms Sam Ming Chia	Member	5/5
Pn Haryanti Binti Othman	Member	5/5

^ Resigned on 4 April 2023

* Appointed on 4 April 2023

Risk Management Committee

Directors	Status	Number of Meeting Attended
Pn Haryanti Binti Othman	Chairman	1/1
Mr Chua Syer Cin ^	Member	0/0
Mr Vincent Wong Soon Choy *	Member	1/1
Mr Ng Chin Kang	Member	1/1

The Risk Management Committee met on 28 November 2023

^ Resigned on 4 April 2023

* Appointed on 4 April 2023

Nomination Committee

Directors	Status	Number of Meeting Attended
Ms Sam Ming Chia	Chairman	1/1
Pn Haryanti Binti Othman	Member	1/1
Mr Chua Syer Cin ^	Member	1/1
Mr Vincent Wong Soon Choy *	Member	0/0

The Nomination Committee met on 24 February 2023

^ Resigned on 4 April 2023

* Appointed on 4 April 2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II – Board Composition (Cont'd)

6. Overall Board Effectiveness (Cont'd)

6.1 Board Effectiveness Evaluation (Cont'd)

Remuneration Committee

Directors	Status	Number of Meeting Attended
Mr Chua Syer Cin ^	Chairman	1/1
Mr Vincent Wong Soon Choy *	Chairman	0/0
Ms Sam Ming Chia	Member	1/1
Pn Haryanti Binti Othman	Member	1/1

The Remuneration Committee met on 24 February 2023

^ Resigned on 4 April 2023

* Appointed on 4 April 2023

The Board is satisfied with the time commitment given by the Directors. All of the Directors do not hold more than five (5) directorships as stated under Paragraph 15.06 of the MMLR. Any Independent Director of the Company is, while holding office, at liberty to accept other board appointments as long as the appointment is not in conflict with the business and does not affect his performance as an Independent Director. Independent Directors are expected to advise the Chairman immediately if they believe that they may no longer be independent.

All existing Directors have attended MAP Part I and three (3) of the Directors have attended MAP Part II prescribed by the MMLR of Bursa Securities. The training programmes or seminars attended by all of the Directors for the financial year ended 31 December 2023 are as follows:

Name of Director	Training Programmes Attended	Date Attended
Datuk Ng Yeng Keng @ Ng Ka Hiat	<ul style="list-style-type: none"> Webinar: Baker Tilly Tax & Budget Mandatory Accreditation Programme Part II: Leading for Impact Directors' Conflict of Interest - How Company Secretary is to Advise Assessment of The Board, Board Committees & Individual Directors 	10.02.2023 04.09.2023 to 07.09.2023 02.11.2023 07.11.2023
Mr Ng Chin Kang	<ul style="list-style-type: none"> Board Oversight of Climate Risks and Opportunities Bursa Malaysia's Enhanced Conflict of Interest Disclosure Requirements - Understanding and Navigating Its Changes Mandatory Accreditation Programme Part II: Leading for Impact Anti-Bribery and Corruption - S. 17A Corporate Liability Perspective 	10.10.2023 17.10.2023 25.10.2023 to 26.10.2023 13.12.2023 to 14.12.2023
Mr Loh Chee Kan	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact 	13.09.2023 to 14.09.2023
Mr Vincent Wong Soon Choy	<ul style="list-style-type: none"> Unlocking Business Efficiency through Digitalisation with E-Invoicing Directors' Conflict of Interest - How Company Secretary is to Advise 	14.09.2023 02.11.2023
Pn Haryanti Binti Othman	<ul style="list-style-type: none"> Webinar: Blowing the Whistle on Corporate Wrongdoing - A director's Responsibility 	06.09.2023
Ms Sam Ming Chia	<ul style="list-style-type: none"> Webinar: Blowing the Whistle on Corporate Wrongdoing - A director's Responsibility Board Oversight of Climate Risks and Opportunities Bursa Malaysia's Enhanced Conflict of Interest Disclosure Requirements - Understanding and Navigating Its Changes ESG Workshop - Elevating Business with ESG Integration Excellence 	06.09.2023 10.10.2023 17.10.2023 05.12.2023

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**Part II – Board Composition (Cont'd)****6. Overall Board Effectiveness (Cont'd)****6.1 Board Effectiveness Evaluation (Cont'd)**

Name of Director	Training Programmes Attended	Date Attended
Mr Ng Cheng Woon	<ul style="list-style-type: none"> Webinar: Introduction to Environmental, Social & Governance and Sustainable Finance 	15.12.2023

The Directors will continue to attend trainings and seminars to enhance their skills and knowledge so as to keep them abreast with relevant developments in the business and regulatory environment on a continuous basis in compliance with Paragraph 15.08 of MMLR of Bursa Securities.

Part III – Remuneration**7. Level and Composition of Remuneration****7.1 Remuneration Policy**

The Board has adopted a Remuneration Policy for the Directors and Senior Management to support and drive business strategy and long term objectives of the Group.

In this regard, the RC is responsible to implement the policies and procedures on the remuneration for the EDs, INEDs and Senior Management whilst the Board is responsible for approving the policies and procedures which govern the remuneration of the employees including EDs, INEDs and Senior Management of the Company to ensure the same remain competitive, appropriate and in alignment with the prevalent market practices and that the Company attracts, retains and motivates the Directors and Senior Management who are with strong credentials, high caliber and astute insights to run the business successfully.

The Remuneration Policy is published on the Company's website.

7.2 Remuneration Committee

The RC is responsible to assist the Board in assessing the remuneration packages of the Directors of the Group. The Board will decide on the remuneration packages after considering the recommendations made by the Committee.

The RC comprises solely INEDs as set out below:

Mr Chua Syer Cin (Resigned on 4 April 2023)	Chairman
Mr Vincent Wong Soon Choy (Appointed on 4 April 2023)	Chairman
Ms Sam Ming Chia	Member
Pn Haryanti Binti Othman	Member

The RC met once during the financial year ended 31 December 2023.

The RC has a written Terms of Reference which deals with its authority and duties, and the Terms of Reference is available on the Company's website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part III – Remuneration (Cont'd)

8. Remuneration of Directors and Senior Management

8.1 Detail of Directors' Remuneration

The remuneration payable in respect of Directors' fees and benefits for year 2023 and 2024 are categorised as follows:

	2023 Amount RM	2024 Proposed Amount RM
Directors' Fees and Benefits of the Company		
Fee for Chairman	35,000	37,000
Fee for each Independent Non-Executive Director	20,000	22,000
Fee for each Executive Director	15,000	17,000
Fee for each Executive Director of subsidiary company	1,200	1,200
Meeting Allowance per meeting *	800	800

* Only for NEDs and a total of five (5) meetings are scheduled for year 2024.

The Directors' fees and benefits are subject to the approval of shareholders of the Company.

The remuneration of the Directors of the Company for year 2023 is as follows:

	Fees RM	Salaries RM	Meeting Allowance RM	Benefits-in- kind RM	Others Emoluments RM	Total RM
Non-Independent Non-Executive Director						
Mr Loh Chee Kan	35,000	-	4,000	-	-	39,000
Independent Non-Executive Director						
Mr Chua Syer Cin	5,000	-	1,600	-	-	6,600
Mr Vincent Wong Soon Choy	15,000	-	2,400	-	-	17,400
Ms Sam Ming Chia	20,000	-	4,000	-	-	24,000
Pn Haryanti Binti Othman	20,000	-	4,000	-	-	24,000
Subtotal	60,000	-	12,000	-	-	72,000
Executive Director						
Datuk Ng Yeng Keng @ Ng Ka Hiat	17,400	337,500	-	32,068	-	386,968
Mr Ng Chin Kang	17,400	89,572	-	4,300	11,046	122,318
Subtotal	34,800	427,072	-	36,368	11,046	509,286
Total	129,800	427,072	16,000	36,368	11,046	620,286

8.2 Remuneration of the Top Five Senior Management

The Board is of the opinion that the disclosure of the Senior Management's remuneration on a named basis and the various remuneration components (salary, bonus, benefits-in-kind and other emoluments) would not be in the best interest of the Group due to confidentiality and security concerns, and would likely to have adverse effect on the Group's talent retention. In fact, the Senior Management has indicated their concern over their safety and confidentiality pertaining to the disclosure.

However, the disclosure of the compensation of Senior Management has been made in Note 23(b) on page 71 of this Annual Report.

The Board ensures that the remuneration of Senior Management is commensurate with the performance of the Group, with due consideration to attract, retain and motivate Senior Management to lead and run the Group successfully.

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

Part I – Audit Committee

9. Effective and Independent Audit Committee

9.1 The Chairman of the Audit Committee is not the Chairman of the Board

The AC is established by the Board and comprises three (3) INEDs. The Chairman of the AC is appointed by the Board and is an INED and also not the Chairman of the Board. Most of the members of the AC have the relevant accounting or related experience and expertise in the financial services industry.

The main roles of AC are to review the integrity of the financial reporting and to oversee the independence of external auditors.

The Board aims to present a balanced and understandable assessment of the Group's position and prospect. Thus, the Board has undertaken the responsibilities to ensure that the financial statements prepared are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 2016. In presenting the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates.

The quarterly financial results and Annual Report were reviewed by the AC and approved by the Board before releasing to the Bursa Securities.

The duties and responsibilities of the AC are outlined in the Term of Reference of the AC which is available on the Company's website.

9.2 Cooling-off Period

The AC has a policy that requires a former key audit partner of the external auditors to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC.

The cooling-off period safeguards the independence of the audit by avoiding the potential threats which may arise when a former key audit partner of the external auditors is in a position to exert significant influence over the audit and preparation of the Company's financial statements. For the year under review, none of the AC members were former key audit partners of the Company's external auditors.

9.3 Policies and Procedures for External Auditor

The AC has established policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statement.

The external auditors, Messrs Ernst & Young PLT have continued to report to members of the Board on their findings which are included as part of the Company's financial reports with respect to each year's audit on the statutory financial statements. The Board has established a formal and transparent arrangement for the achievement of objectives and maintenance of professional relationship with the external auditors. The external auditors have access to the books and records of the Group at all times and highlight to the AC and Board on matters that require the Board's attention.

The Board has private sessions and dialogues through the AC with the external auditors, in the absence of the EDs and the Management. For the year under review, there were two (2) separate dialogue sessions with the external auditors where there was an exchange of views in relation to the financial reporting of the Group and other issues needing attention.

In terms of appointing the external auditors for non-audit services, due care is taken to ensure that the appointment does not impede on the independence, quality and conduct of the statutory audit. The AC has to be satisfied that the nature and extent of the non-audit services rendered by the external auditors are reasonable for them to maintain objectivity, and that the level of non-audit fees is appropriate as not to impede the external auditors' independence, before recommending the proposed engagement to the Board for approval.

The AC reviewed the independence of its external auditors. It noted the independence policy of external auditors which includes its own rotation of audit partners once every five (5) years. The external auditors have confirmed via its report to the AC that they are and have been independent throughout the conduct of audit engagement in according with terms of relevant professional and regulatory requirements.

Annual assessment on the performance of the external auditors will be performed through the External Auditors evaluation form and the result of the assessment and recommendation by the AC will be presented to the Board for consideration. Upon due consideration, re-appointment of the external auditors and the authority to fix their remuneration would be recommended by the Board for seeking shareholders' approval in the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Part I – Audit Committee (Cont'd)

9. Effective and Independent Audit Committee (Cont'd)

9.4 Audit Committee Members are Independent Directors

The AC consists of three (3) members of which all are INEDs.

The members of the Committee are as follows:

Mr Chua Syer Cin (Resigned on 4 April 2023)	Chairman
Mr Vincent Wong Soon Choy (Appointed on 4 April 2023)	Chairman
Ms Sam Ming Chia	Member
Pn Haryanti Binti Othman	Member

9.5 Audit Committee Members should be Financially Literate, Competent and Undertake Continuous Professional Development

The AC member possesses a wide range of necessary skills to discharge their duties. Most of the members of the AC are financially literate, whilst the Chairman of the AC is a member of MIA, and thus, fulfilling paragraph 15.09(1) (c) of MMLR, which calls for one member of the AC to be a member of a professional accountancy body.

All members, except for the newly appointed members of the AC, if any, have attended relevant training programmes to assist in discharging their duties effectively and the detail of which are as disclosed in this Statement on pages 19 and 20 of this Annual Report.

Part II – Risk Management and Internal Control Framework

10. Risk Management and Internal Control Framework

10.1 Effective Risk Management and Internal Control Framework

Relevant risk management and internal control systems are implemented for the day-to-day operations of the Group. The internal auditors are authorised to conduct independent audits of all the departments and offices within the Group and report the findings to the AC.

The risk management and internal control systems are designed to manage and mitigate rather than eliminate the risk of failure in achieving the Company's corporate objectives and safeguarding the Company's assets as well as investors' interests.

10.2 Disclosure of Risk Management and Control Framework

The Board has put in place a policy to ensure disclosure of information is in accordance with the disclosure requirements under the MMLR and other applicable laws.

The Board exercises close monitoring of all price sensitive information potentially required to be released to Bursa Securities and makes material announcements to Bursa Securities in a timely manner as required. In line with best practices, the Board strives to disclose price sensitive information to the public as soon as practicable through the website of Bursa Securities, the media and the Company's website.

Price sensitive information is defined as any information that on becoming generally available would tend to have a material effect on the market price of the Company's listed securities. The Company Secretaries are responsible to compile such information for the approval of the Board soonest possible and release such information to the market as stipulated in MMLR of Bursa Securities.

Apart from the provisions relating to the "closed period" for dealing in the Company's shares, the Directors and Senior Management privy to price sensitive information are prohibited from dealing in the shares of the Company until such information is publicly available. The AC reviews, deliberates and decides on the next course of action and evaluates the effectiveness and efficiency of the risk management and internal control systems in the organisation.

The AC has access to the internal auditors and is able to discuss internal audit matters in private, if required.

The information on the Company's internal control is presented in the Statement on Risk Management and Internal Control on pages 38 to 40 of this Annual Report.

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)**Part II – Risk Management and Internal Control Framework (Cont'd)****10. Risk Management and Internal Control Framework (Cont'd)****10.3 Establish of Risk Management Committee**

RMC comprises a majority of Independent directors and plays the role to ensure that a risk management structure is embedded throughout the Group and risk management policies are consistently adopted.

The members of the Committee are as follows:

Pn Haryanti Binti Othman	Chairman
Mr Chua Syer Cin (Resigned on 4 April 2023)	Member
Mr Vincent Wong Soon Choy (Appointed on 4 April 2023)	Member
Mr Ng Chin Kang	Member

11. Effective Governance, Risk Management and Internal Control Framework**11.1 Ensure Effectiveness and independence of Internal Audit Function**

Reviewing the internal audit function's effectiveness and independence is part of AC's oversight responsibilities.

The AC is aware of the fact that an independent and adequately resourced internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness of the system of internal controls. Thus, the Board has outsourced its internal audit function to an independent professional consulting firm, Wensen Consulting Asia (M) Sdn Bhd ("Wensen").

The internal audit function is free from any relationship or conflicts of interest which could impair their objectivity and independence. Wensen has no relationship with the Group and is independent from Management, employees, Directors and substantial shareholders. The AC is of the opinion that Wensen is independent and objective in carrying out its internal audit function.

Annual assessment on internal auditors' performance had been conducted in financial year ended 31 December 2023 to ensure that the internal audit function is effective.

11.2 Disclosure of Information

During the financial year under review, internal auditors had conducted audit on key activities of the Group and the details of which are as disclosed in the AC Report on page 28 of this Annual Report.

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**Part I – Engagement with Stakeholders****12. Effective, Transparent and Regular Communication between Company and Stakeholders**

Recognising the importance of timely dissemination of information to shareholders and other stakeholders, the Board is committed to ensure that they are well informed of major developments of the Company. The information is communicated to them through the issuance of Annual Report, Circular to Shareholders and announcements made to the Bursa Securities including quarterly results. Shareholders and other stakeholders could also obtain general information of the Company through the website of Bursa Securities and the Company. Our website, www.kialim.com.my is available for access of information by shareholders and the public. Information posted on the website is updated periodically.

For any feedbacks or enquiries, shareholders can direct them to the Company's designated email address ir-enquiries@kialim.com.my or directly to the Chairman, Mr Loh Chee Kan at his designated email address chairman@kialim.com.my.

In view of the size of the Company, Mr Ong Yu Hock is entrusted to assist Mr Loh with investor relation functions of the Company for the time being.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Part II – Conduct of General Meetings

13. Encourage Shareholder's Participation at General Meetings

13.1 Notice of General Meeting

Given the significance of general meetings, the notice of meeting together with the Annual Report is sent to the shareholders at least twenty eight (28) days prior to the AGM, so as to maximise their attendance and to provide sufficient time to consider the resolutions that will be discussed and decided at the general meeting.

In this respect, the notice of AGM for year 2022 held on 30 May 2023 was served on 28 April 2023.

Concurrently, the notice of AGM is advertised in a nationally circulated English daily newspaper. In order to facilitate informed decision by the shareholders, notice of meeting is also accompanied by explanatory notes on the items of business to further explain the nature of business of the meeting.

13.2 Attendance of Directors at General Meeting

The AGM is the principal forum for dialogue with shareholders. Shareholders are provided with an opportunity to participate in the question and answer session in which shareholders may raise questions pertaining to the business activities of the Company. To encourage participation of shareholders at general meetings, the Chairman invites questions from shareholders for every agenda items of the meeting.

Board members and Senior Management team are available to respond to all queries and undertake to provide sufficient clarification on issues and concerns raised by the shareholders. The external auditors are also present to provide their professional and independent clarification on queries raised by shareholders.

All Directors attended the AGM held on 30 May 2023.

13.3 Deployment of Technology to Facilitate the Conduct of General Meeting

The Company has a relatively small base of shareholders and hence the feasibility of leveraging technology to facilitate voting in absentia and remote shareholders' participation at general meetings is relatively more costly to the Company than physical meetings. Therefore, the Company held its AGM physically in 2023. Kia Lim's 28th AGM was held at The Katerina Hotel on 30 May 2023 at 12.00 noon.

Shareholders are given sufficient time of twenty eight (28) days from the date of notice of AGM to make their arrangements to attend the AGM. Shareholders who are unable to attend the AGM in person are entitled to appoint representative of proxy/Chairman to vote on their behalf in their absence.

13.4 Ensure Meaningful Engagement of General Meeting

The Chairman of the Board would ensure that the AGM supports 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 would also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the meeting and interactive participation by shareholders. Questions posed by shareholders are also made visible to all meeting participants during the meeting itself.

13.5 Circulation of Minutes of General Meetings

Minutes of the general meeting will be uploaded onto the Company's website no later than thirty (30) business days after the general meeting.

OTHER INFORMATION

a) Conflict of Interest

The Directors and/or major shareholders of Kia Lim do not have any personal interest in any business arrangement involving the Company.

b) Audit and Non-Audit Fees

During the financial year ended 31 December 2023, the amount of audit and non-audit fees paid/payable to the external auditors by the Group and the Company respectively were as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Statutory audit fees paid/payable to: - Ernst & Young PLT, Malaysia	143,000	130,000	42,000	37,000
Non-audit fees paid/payable to: - Ernst & Young PLT, Malaysia	7,000	5,000	7,000	5,000

c) Material Contracts

The Directors and major shareholders do not have any material contracts with the Company and/or its subsidiaries during the financial year.

d) Contracts Relating to Loan

There were no contracts relating to a loan by the Company and/or its subsidiaries in respect of the preceding item.

e) Related Party Transaction

A list of significant related party transactions between the Company and its subsidiaries, and between the Group and other related parties including relevant Key Management personnel for the 12-month financial period ended 31 December 2023 is set out on page 70 of this Annual Report.

The Board shall remain committed to attaining the highest possible standards through the continuous adoption of the principles and best practices of the MCCG and all other applicable laws. The explanations on the departures are supplemented with a description on the alternative measures that seek to achieve the Intended Outcome of the departed Practices, measures that the Company has taken or intends to take to adopt the departed Practices as well as the timeframe for adoption of the departed Practices. Further details on the application of each individual Practice of MCCG are available in the CG Report.

The Board has reviewed and approved this statement on 29 March 2024.

AUDIT COMMITTEE REPORT

MEMBERS

Mr Chua Syer Cin (Resigned on 4 April 2023)
- Chairman, Independent Non-Executive Director

Mr Vincent Wong Soon Choy (Appointed on 4 April 2023)
- Chairman, Independent Non-Executive Director

Ms Sam Ming Chia
- Member, Independent Non-Executive Director

Pn Haryanti Binti Othman
- Member, Independent Non-Executive Director

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year, the Audit Committee ("AC") has conducted its activities in accordance with its existing Terms of Reference. The activities are as follows:

- Reviewed and recommended for the Board's approval the quarterly financial results for public announcement;
- Reviewed with the external auditors their audit plan prior to the commencement of the audit activities;
- Discussed the annual audited financial statements with the external auditors and ensured that the financial reporting and disclosure requirements are complied with the relevant authorities, as well as their findings and recommendations;
- Discussed with the external auditors to ensure that internal control system is adequate and functioning and any weaknesses identified are properly remedied;
- Reviewed the independence, objectivity and effectiveness of the external auditors and the services provided, including non-audit services and corresponding fees;
- Reviewed and recommended the re-appointment of external auditors and the audit fees to the Board for its approval;
- Reviewed related party transactions entered into by the Group in its ordinary course of business;
- Discussed and reviewed the updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board;
- Received and reviewed the internal audit reports; and
- Reviewed the Corporate Governance Overview Statement, the AC Report and the Statement on Risk Management and Internal Control to be published in the Annual Report.

ATTENDANCE OF AUDIT COMMITTEE MEETINGS

Details of attendance at AC Meetings held in the financial year ended 31 December 2023 as follows:

No.	Name of Audit Committee Members	Number of Meetings Attended
1	Mr Chua Syer Cin (Resigned on 4 April 2023)	2/2
2	Mr Vincent Wong Soon Choy (Appointed on 4 April 2023)	3/3
2	Ms Sam Ming Chia	5/5
3	Pn Haryanti Binti Othman	5/5

The Terms of Reference of the AC are available for reference on the Company's website at www.kialim.com.my.

The Group has an internal audit function which reports directly to the Committee.

The Group's internal and external auditors and certain members of the management team were invited to attend the Committee meetings. All participations in the Committee's meetings were strictly upon invitation.

The Committee also held two (2) separate dialogue sessions during the year under review with external auditors without the presence of the Management. The internal and external auditors have unfettered access to members of the AC including the Chairman anytime during the year.

Deliberations during the Committee meetings were minuted. The Chairman of the Committee reports the proceedings of the Committee to the Board after every Committee Meeting. Minutes of the meetings were circulated to all members of the Board and significant issues were brought up and discussed at Board meetings.

INTERNAL AUDIT FUNCTIONS

The AC is aware of the fact that an independent and adequately resourced internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness of the system of internal controls. The Board has outsourced its internal audit function to an independent professional consulting firm.

The outsourced internal auditors had met with the AC to present their reports and to discuss their findings and the adequacy of the internal control system of the Group.

During the financial year under review, based on the risk-based audit programme drawn up, the Internal Audit function had conducted audit on key activities of the Group, including the areas of:

- i) Procurement to Payment Management;
- ii) Logistic Management;
- iii) Quality Assurance and Quality Control Management; and
- iv) Inventory and Warehouse Management.

The internal audit function also performed the status of follow-up audits on the Management's implementation of audit recommendations made for reporting to the AC.

In the course of auditing, the internal auditors have identified some internal control weaknesses which have been or are being addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

The cost incurred in maintaining the internal audit function for the financial year ended 31 December 2023 amounted to RM35,644.