

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0238
COMPANY NAME : CEKD Berhad
FINANCIAL YEAR : August 31, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	: Applied
Explanation on application of the practice	<p>The Board of Directors ("the Board") of CEKD Berhad ("CEKD" or "the Company") holds the responsibility for providing overall governance, strategic leadership and oversight of the direction and management of the Company and its subsidiary (collectively known as "the Group"), ensuring the Group's long-term success and sustainable growth. The Board establishes the strategic direction and objectives, formulates policies and monitor the execution of the Group's key strategic action plans. It regularly evaluates the Group's daily business operations, review management performance and ensures that the adequate resources are available to drive the Group's performance and development.</p> <p>The Group's vision, mission and motto are set out as follows:</p> <p style="text-align: center;">Vision</p> <p style="text-align: center;">The Best Die-Cutting Solution Provider in Asia Pacific</p> <p style="text-align: center;">Mission</p> <ul style="list-style-type: none"> ✓ Create Value for Customers ✓ Continuous Improvement <p style="text-align: center;">Motto</p> <p style="text-align: center;">Drive Towards Excellence</p> <p>To ensure the Board to effectively discharge its responsibilities in line with the Company's goals and objectives, the Board is governed by the Company's Board Charter. As outlined under item 6 of the Board Charter, the Board should, among others:</p> <ul style="list-style-type: none"> (i) Exercise care and diligence; (ii) Act in good faith in the best interests of the Company; (iii) Commit the time necessary to discharge effectively his/her role as a Director; and

	<p>(iv) Not improperly use his/her position or misuse information of the Company.</p> <p>Details of the roles and responsibilities of the Board are specified in Item 6.1 of the Board Charter.</p> <p>In addition to the Board Charter, the Board is also guided by the Company’s Constitution and the prevailing legal and regulatory requirements, including the Companies Act 2016, ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Malaysian Code on Corporate Governance (“MCCG”), in fulfilling its fiduciary duties and responsibilities.</p> <p>To assist the Board in executing its duties, the following Board Committees of the Company have been established:</p> <ul style="list-style-type: none"> (i) Audit Committee (“AC”); (ii) Sustainability and Risk Management Committee (“SRMC”); (iii) Remuneration Committee (“RC”); and (iv) Nominating Committee (“NC”). <p>Each Board Committee operates within its designated functions and duties as specified in their respective Terms of Reference, which have been approved by the Board. The Chairman of the respective Board Committees will present and report their findings to the Board for deliberations and approval. Ultimately, the Board maintains full accountability for prioritising the Group’s best interests in all decision-making processes. To ensure ongoing relevance and effectiveness, the Terms of Reference for each Board Committee are reviewed regularly.</p> <p>The Board Charter and Terms of Reference for each Board Committee are available on the Company’s website at http://www.cekd.com.my/policy-disclosures.</p> <p>To safeguard the Group’s long-term sustainable growth and protect the interests of shareholders and stakeholders, the Group has introduced additional sustainability-focused policies including Gender Diversity Policy and Succession Planning Policy during the financial year ended 31 August 2024 (“FYE 2024”). These policies are designed to address the sustainability challenges identified by the Group.</p> <p>These initiatives demonstrate the Board’s commitment to build a responsible and forward-thinking business framework that supports its long-term strategic objectives. The policies are regularly evaluated to ensure their effectiveness in aligning with the organisation’s goals and promoting sustainable development.</p>
<p>Explanation for departure</p>	<p>:</p>

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

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is led by Dato' Zulkifli Bin Adnan, an Independent Non-Executive Chairman. As the Board Chairman, he is accountable for providing leadership to the Board, enhancing its overall effectiveness and promoting good corporate governance practices.</p> <p>As outlined in item 6.2 of the Board Charter, the duties and functions of the Board Chairman include but are not limited to:</p> <ul style="list-style-type: none"> (i) Lead the Board in setting the values and standard of the Company; (ii) Oversee the effective discharge of the Board's supervisory role; (iii) Facilitate the effective contribution of all Directors; (iv) Conduct the Board's function and meetings; (v) Brief all the Directors in relation to issues arising at meetings; (vi) Ensure effective communication with shareholders and relevant stakeholders; (vii) Schedule regular and effective evaluations of the Board's performance; (viii) Ensure the provision of accurate, timely and clear information to Directors; and (ix) Promote constructive and respectful relations between Board members and between the Board and the Management. <p>The Board Chairman actively fosters an inclusive environment during Board meetings, encouraging all Directors to participate and share their perspectives. He ensures that diverse viewpoints, including dissenting opinions, are freely expressed and considered, promoting comprehensive discussions and thorough deliberation of all agenda items.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 1.3

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

Application	:	Applied								
Explanation on application of the practice	:	<p>In CEKD, the positions of Board Chairman, Deputy Executive Chairman and Managing Director are held by three (3) separate individuals as follows:</p> <table border="1"><thead><tr><th>Designation</th><th>Director</th></tr></thead><tbody><tr><td>Independent Non-Executive Chairman</td><td>Dato' Zulkifli Bin Adnan</td></tr><tr><td>Deputy Executive Chairman</td><td>Yap Tian Tion</td></tr><tr><td>Managing Director</td><td>Yap Kai Ning</td></tr></tbody></table> <p>The roles and responsibilities among three (3) individuals are clearly defined and separated to ensure a balanced distribution of power and authority, preventing any single individual from having unrestricted decision-making control. This structured approach promotes transparency, accountability and effective governance across the Group.</p> <p>The Board Chairman is primarily responsible for enhancing the Board's overall effectiveness. This includes ensuring that Directors actively contribute to discussions and deliberations during Board meetings, as well as fostering sound corporate governance practices. The Board Chairman also plays a key role in setting the Board's agenda, facilitating constructive dialogue and providing leadership on governance related matters.</p> <p>The Deputy Executive Chairman, on the other hand, is responsible for shaping and driving the Group's overall business strategy and direction, which involves reviewing major investments, formulating business strategies and evaluating significant capital expenditure and financial proposals.</p> <p>In contrast, the Managing Director is entrusted to oversee the execution of the Group's strategic plans and policies at the operational level. This includes managing day-to-day activities to ensure that the Group's strategic goals are translated into effective action, driving performance across all business units.</p> <p>The roles and responsibilities of the Board Chairman, Deputy Chairman and Managing Director are detailed in the Board Charter, which is available on the Company's website at http://www.cekd.com.my/policy-disclosures.</p>	Designation	Director	Independent Non-Executive Chairman	Dato' Zulkifli Bin Adnan	Deputy Executive Chairman	Yap Tian Tion	Managing Director	Yap Kai Ning
Designation	Director									
Independent Non-Executive Chairman	Dato' Zulkifli Bin Adnan									
Deputy Executive Chairman	Yap Tian Tion									
Managing Director	Yap Kai Ning									

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

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Board Chairman, Dato' Zulkifli Bin Adnan does not serve as a member of the AC, NC or RC, nor does he participate in any of these Board Committees' meetings. By not being involved in these Board Committees, the Board Chairman is able to avoid any potential conflicts of interest or the risk of self-review, which could compromise his impartiality.</p> <p>This approach enables the Board Chairman to maintain a neutral perspective when considering the observations, recommendations and reports presented by the Board Committees. It further strengthens the integrity of the Board's decision-making process, allowing the Board Chairman to offer objective leadership while upholding the principles of good corporate governance.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	: Applied
Explanation on application of the practice	<p>The Board is supported by two (2) well-qualified and competent company secretaries, namely Ms. Teo Soon Mei ("Ms. Teo") and Ms. Lim Jia Huey ("Ms. Lim"). Both company secretaries have fulfilled the necessary qualifications and are duly qualified under Section 235(2)(a) of the Companies Act 2016.</p> <p>Ms. Teo is a Fellow Member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") (Chartered Secretary and Chartered Governance Professional), an Associate Member of the Institute of Internal Auditors of Malaysia ("IIA") and holds a Master of Corporate Governance, with more than thirty (30) years of corporate secretarial experience. She has vast knowledge to support the Board in carrying out its fiduciary duties and leadership role in shaping the Group's corporate governance standard. Currently, Ms. Teo also serves as the company secretary for several other listed companies in Malaysia.</p> <p>Ms. Lim is an Associate Member of the MAICSA (Chartered Secretary and Chartered Governance Professional). She has more than thirteen (13) years of experience in handling corporate secretarial matters, with practical knowledge in various industries. Currently, Ms. Lim is also the company secretary for several other listed companies in Malaysia.</p> <p>The company secretaries play a crucial advisory role to the Board, offering guidance on the Company's corporate administrative matters, corporate governance practices and meeting proceedings. Their primary responsibility is to ensure that the Group adheres to all applicable legal requirements and maintains the highest standards of corporate governance.</p> <p>During FYE 2024, the company secretaries diligently carried out their roles and responsibilities in accordance with item 4 of the Board Charter, as detailed below:</p> <p>(i) Maintaining the Group's statutory records, registers and documents in a proper and appropriate manner to assist the Board to effectively discharge its fiduciary responsibilities in accordance with the best practices of corporate governance;</p>

	<ul style="list-style-type: none"> (ii) Coordinating logistics for Board and Board Committees' meetings, recording minutes and facilitating Board communication; (iii) Advising the Board on its roles, corporate disclosures procedural and requirements and ensuring regulatory compliance; (iv) Keeping the Board informed about new statutory and regulatory changes; (v) Liaising with regulatory authorities and handling necessary filings; (vi) Supporting in Directors' training and development; (vii) Managing procedures related to the general meetings; (viii) Monitoring corporate governance trends and assisting the Board in implementing the best practices to meet stakeholders' expectations; and (ix) Enhancing communication with stakeholders. <p>The company secretaries have also participated in numerous professional development programmes and training sessions organised by professional body for company secretaries such as MAICSA. These initiatives ensure they stay current with the latest regulatory changes, corporate governance developments, best practices and industry trends.</p> <p>The Board has expressed its satisfaction with the quality of service and support provided by the company secretaries, recognising their valuable assistance in helping the Board discharge its fiduciary duties.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>At CEKD, all Board and Board Committees' meetings are scheduled well in advance, enabling Directors to secure their availability for meetings' attendance. To facilitate an efficient and timely flow of information, the Board papers along with the meeting agenda, minutes of previous meetings and supporting documents are distributed to Directors at least seven (7) days prior to the meeting. This advance distribution of meeting materials provides Directors with ample time to review the documents thoroughly, consider the matters to be discussed, and if needed, to seek additional information to support well-informed decision-making during the meeting.</p> <p>In addition, all Board and Board Committees' meetings are convened separately to promote a higher level of integrity, objectivity and independence in the discussions. All Directors have full and unrestricted access to information related to the Group's business and affairs, as well as to the advice and services of the company secretaries, internal auditors and external auditors. This access is provided to them either as a full Board or in their individual capacity, at the Company's expense, to support the decision-making process. Additionally, the Board may at its discretion, invite Senior Management or external parties to meetings as needed to facilitate decisions and ensure the effective discharge of responsibilities.</p> <p>All matters raised, discussions and decisions made during Board meetings will be documented by the company secretaries. These records are then reviewed by the Board for completeness and accuracy in a timely manner, with confirmation by the Board at the subsequent meeting to ensure a reliable record of proceedings. Signed minutes and resolutions are kept securely at the Company's registered address as an official record.</p> <p>The procedures for the preparation and distribution of meeting notices and Board papers are detailed in item 7.3 of the Company's Board Charter, ensuring compliance with governance standards and supporting effective Board operations.</p>
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a comprehensive Board Charter that serves as a formal guidance for Directors to effectively fulfil their duties and responsibilities. The Board Charter outlines the roles, responsibilities, and operating procedures of the Board, ensuring clarity in authority of the Board, Board Committees and individual Directors.</p> <p>The Board Charter has outlined the following core areas:</p> <ul style="list-style-type: none">(i) Board Structure;(ii) Company Secretary;(iii) Board Committees;(iv) Roles and responsibilities of the Board, Chairman/Deputy Chairman, Executive Directors and Independent Non-Executive Directors;(v) Board procedures;(vi) The Board's relationship with shareholders and investors;(vii) Conflict of interest and related party transactions;(viii) Corporate disclosures; and(ix) Review of Board Charter. <p>The Board Charter will be reviewed periodically by the Board and updated as needed to align with the Company's requirements and any new or amended regulations that impact the Board's responsibilities. The Board Charter was last reviewed by the Board on 29 January 2024.</p> <p>The Board Charter is available on the Company's website at http://www.cekd.com.my/policy-disclosures.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 3.1

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

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

Application	: Applied				
Explanation on application of the practice	<p>The Board has established the Code of Conduct and Ethics (“the Code”) to promote a culture of ethical business practices throughout the Group. The principles of professionalism, honesty and integrity are fundamental values that the Group is committed to uphold in all business dealings, ensuring that every interaction reflects these standards.</p> <p>The Code outlines comprehensive policies and procedures to guide ethical conduct, which cover the following key areas:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Employee Conduct</th> <th style="text-align: center;">Business Conduct</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <ul style="list-style-type: none"> ➤ Discrimination and harassment ➤ Fraud, protection of the Group’s assets and accounting ➤ Outside directorship and other outside activities ➤ Conflict of interest ➤ Confidentiality ➤ Insider trading ➤ Family and relative of employees </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> ➤ Dealing with external parties ➤ Money laundering ➤ Bribery and corruption ➤ Gifts, entertainment and others </td> </tr> </tbody> </table> <p>By adhering to these principles outlined in the Code, the Group aims to foster a workplace culture that not only meets regulatory requirements but also builds trust and enhances the Company’s reputation among its stakeholders.</p> <p>Further, the Company has implemented an Anti-Bribery and Anti-Corruption Policy (“ABC Policy”) in accordance with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. In alignment with the Group’s zero-tolerance stance against all forms of bribery and corruption, the ABC Policy establishes principles and</p>	Employee Conduct	Business Conduct	<ul style="list-style-type: none"> ➤ Discrimination and harassment ➤ Fraud, protection of the Group’s assets and accounting ➤ Outside directorship and other outside activities ➤ Conflict of interest ➤ Confidentiality ➤ Insider trading ➤ Family and relative of employees 	<ul style="list-style-type: none"> ➤ Dealing with external parties ➤ Money laundering ➤ Bribery and corruption ➤ Gifts, entertainment and others
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	<p>guidelines for addressing any incidents and issues related to these activities.</p> <p>Both the Code and ABC Policy were last reviewed by the Board on 29 January 2024 and will continue to be reviewed periodically or when it is required to ensure they remain effective and relevant. For further details, the Code and ABC Policy are accessible on the Company's website at http://www.cekd.com.my/policy-disclosures.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>To facilitate and reinforce the Group’s commitment to build a strong corporate culture that embraces the values of integrity, transparency and fairness, the Board has formalised and adopted a Whistleblowing Policy. The Whistleblowing Policy outlines clear procedures and channels available to support the effective implementation of the Code and the ABC Policy in the event of any violations. It provides comprehensive guidelines for all Directors, employees and stakeholders to report concerns regarding any unethical behaviour, malpractices, illegal activities or failure to comply with applicable laws, internal policies, rules and regulations.</p> <p>If there is a reasonable belief or suspicion of malpractice or misconduct within the Group, whistleblowers are encouraged to report their concerns to the Chairman of the SRMC using the following channels:</p> <p>(i) By Post: Send in a sealed envelope clearly marked “Strictly Confidential to be opened by the addressee ONLY” to 10, Jalan 1/137B, Resource Industrial Centre, Batu 5, Jalan Kelang Lama, 58200 Kuala Lumpur, W.P. Kuala Lumpur Malaysia; or</p> <p>(ii) By E-mail: E-mail the complaint letter to admin@cekd.com.my.</p> <p>Upon receiving a written complaint or allegation of misconduct, the SRMC will promptly establish an investigation team to conduct a comprehensive investigation. Such investigation will be carried out with the utmost confidentiality, fairness and impartiality to uphold the integrity of the process.</p> <p>In line with the Whistleblower Protection Act 2010 and the Whistleblowing Policy, the identity of the whistleblower is strictly protected and treated as confidential if they disclose information in good faith and on reasonable grounds. The Group will not tolerate any detrimental action against such whistleblowers, which may result in disciplinary measures, including suspension or dismissal.</p>

	<p>In addition, in line with the MCGG and Corporate Governance Guide, the members of AC play a crucial role in overseeing the whistleblowing matters. Hence, the Whistleblowing Policy was reviewed and updated on 21 October 2024, with any matters relating to whistleblowing now being reported to AC instead of SRMC.</p> <p>The updated Whistleblowing Policy is accessible on the Company's website at http://www.cekd.com.my/policy-disclosures.</p> <p>During FYE 2024, the Board is pleased to report that the Group has not received any whistleblower reports concerning breaches of the Company's policies or applicable laws.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the increasing importance of sustainability in business management and remains ultimately responsible for the Group's sustainability management. This includes establishing and overseeing the Group's sustainability strategies, priorities and targets.</p> <p>The Board is supported by the SRMC in overseeing the implementation and integration of sustainability initiatives and strategies across the Group. To assist the SRMC in fulfilling its duties and responsibilities, the Board has established a Group Sustainability Oversight Unit, led by the Executive Director/Chief Operation Officer to monitor the sustainability performance in respective operational departments. The Group Sustainability Oversight Unit is tasked to report the overall management of sustainability initiatives to the SRMC on a semi-annual basis. Such update shall cover:</p> <ul style="list-style-type: none">(i) The Group's overall sustainability risks and opportunities; and(ii) The status of the implementation of the sustainability strategies, along with recommendations for any necessary revisions to the strategies. <p>To effectively manage the Group's sustainability risks and opportunities, the Board conducts an assessment of material matters to identify and prioritise risks and opportunities related to economic, environmental, social and governance ("EESG") factors. Based on the assessment's results, the Board has then developed the relevant sustainable strategies and mapped them into the relevant United Nations' Sustainable Development Goals ("UNSDGs"). These strategies aim to drive meaningful progress toward a sustainable future while enhancing the Group's long-term resilience and value creation.</p> <p>During FYE 2024, the Board identified and ranked thirteen (13) key sustainability focus areas according to their significance to the Group and its stakeholders. These focus areas were then aligned with five (5)</p>

	<p>relevant UNSDGs when developing the Group’s sustainability strategies.</p> <p>The Group’s sustainability strategies and efforts in addressing the material sustainability risks and opportunities are presented in the Sustainability Statement 2024, which is available in the Company’s Annual Report 2024.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.2

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

Application	: Applied
Explanation on application of the practice	<p>The Board recognises the importance of maintaining regular engagement with both internal and external stakeholders in the formulation of the Group’s sustainability strategies, priorities and targets. By actively communicating with the stakeholders such as employees, customers, suppliers, investors and community as a whole, the Board gains valuable insights into their diverse needs and expectations. This understanding is crucial in shaping the Group’s strategic direction, allowing the Board to align its sustainability initiatives with stakeholders’ interests and concerns.</p> <p>The Board, through the SRMC, established a Group Sustainability Oversight Unit comprised of various head of departments (“HODs”), led by the Executive Director/Chief Operation Officer, to manage and monitor the sustainability related issues within the Group. The Group Sustainability Oversight Unit not only oversees the Group’s sustainability performance but also serves as a forum for gathering input from each department. This ensures that diverse perspectives are transformed into the Group’s sustainability strategies. Upon establishing the Group’s sustainability strategies and targets, the respective HODs are responsible to ensure that these initiatives are effectively communicated to all employees.</p> <p>Additionally, the Company provides a comprehensive overview of stakeholders’ engagements, material matters assessments, sustainability strategies, targets and performance in the Sustainability Statement 2024, which is included in its Annual Report 2024. This approach underscores the Group’s commitment to transparency and accountability in its sustainability efforts.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:

Timeframe	:		
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Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>In an effort to remain informed and updated about the latest sustainability development trends, the NC assumes the responsibility to ensure all Directors participate in appropriate and relevant training programmes.</p> <p>To-date, all Directors have attended and completed the Mandatory Accreditation Programme Part II: Leading for Impact, which provided an in-depth exploration on key focus areas to help Directors navigate both existing and emerging sustainability challenges. The NC will continue to identify and recommend sustainability-related training programmes for the Board, ensuring that the Directors are kept up to date with the latest development in sustainability best practices. This shall support the Board’s understanding on sustainability-related risks and opportunities, equipping them with the insights needed to make informed decisions and engage in meaningful discussions regarding the Group’s sustainability initiatives.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>To strengthen the Board’s accountability for the Group’s sustainability management, the NC incorporated the governance of sustainability as one (1) of the criteria in the Board’s annual performance evaluation for FYE 2024. This criterion encompasses various aspects of sustainability assessment, including the Board’s and Senior Management’s performance in overseeing and supporting the implementation of sustainability strategies within the environmental, social and governance (“ESG”) framework. It also considers the development of sustainability programmes, monitoring progress toward SDGs as well as the level of knowledge on the sustainability risks and opportunities.</p> <p>During FYE 2024, the NC was satisfied that the Board and Senior Management performed their duties satisfactorily and effectively, demonstrating care and diligence in addressing material sustainability risks and opportunities of the Group.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- 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.

<i>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.</i>	
Application	: Adopted
Explanation on adoption of the practice	: <p>The Board has established a sustainability governance structure, which includes the formation of a Group Sustainability Oversight Unit comprising various HODs. The Group Sustainability Oversight Unit is led by Ms. Yap Kai Min, the Executive Director/Chief Operation Officer to manage and monitor the Group's sustainability-related issues.</p> <p>Ms. Yap Kai Min, who works together with Ms. Yap Kai Ning, the Managing Director of the Group, is entrusted to establish implementation plans and targets for the identified sustainability matters, and report the same to the SRMC on a semi-annual basis.</p> <p>The responsibilities of Ms. Yap Kai Min, within the Group's sustainability governance structure, are outlined as follows:</p> <ul style="list-style-type: none">(i) Oversees departments/functions in ensuring robustness of system of sustainability management;(ii) Considers input of all departments/functions in sustainability processes, e.g. facilitate material matters assessment;(iii) Provides leadership over implementation of sustainability strategy;(iv) Evaluate overall sustainability risks and opportunities; and(v) Oversee implementation of sustainability strategy.

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>As stated in item 4(o) of the NC's Terms of Reference, the NC is responsible for periodically reviewing the Board's composition and the tenure of each Director. Further, the annual re-election of a Director is contingent on satisfactory evaluation of the Director's performance and contribution.</p> <p>Board composition was one (1) of the key criteria assessed in the Board's performance evaluation for the FYE 2024. In this regard, the NC reviewed and determined the required mix of skills and perspectives in the boardroom to enhance the Board's overall effectiveness. Based on the evaluation results, the NC is satisfied that the current Board possesses the right combination of skills and composition to drive the Group's business growth while safeguarding the interests of shareholders and other stakeholders.</p> <p>Guided by the Directors' Fit and Proper Policy and Gender Diversity Policy adopted by the Company, the NC evaluates the re-election of Directors based on prescribed criteria, including character, integrity, experience, competence and time commitment. These policies are available on the Company's website at http://www.cekd.com.my/policy-disclosures.</p> <p>Having evaluated and being satisfied with the overall performance and contributions of the following retiring Directors due for retirement at the forthcoming Seventh ("7th") Annual General Meeting ("AGM"), the NC recommended their re-election to the Board in accordance with Clause 84 of the Company's Constitution:</p> <ul style="list-style-type: none">(a) Mr. Yap Tian Tion; and(b) Datuk Mak Foo Wei. <p>Upon the recommendation of the NC, the Board has resolved to propose the re-election of Mr. Yap Tian Tion and Datuk Mak Foo Wei as the Directors of the Company at the forthcoming 7th AGM for shareholders' approval.</p>

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

Intended Outcome

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

Practice 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>As at 31 August 2024, the Board consists of seven (7) members, of which four (4) are Independent Non-Executive Directors, including:</p> <ul style="list-style-type: none">(i) Dato' Zulkifli Bin Adnan;(ii) Datuk Mak Foo Wei;(iii) Mr. Chong Chin Look; and(iv) Ms. Choo Yem Kuen. <p>As a result, the Board consists of a majority of independent directors to support an objective and independent decision-making process in the boardroom. This shall safeguard the interests of shareholders and other stakeholders while ensure that high standards of conduct and integrity are upheld.</p> <p>The NC is responsible for assessing the independence of the independent directors on an annual basis to ensure that they remain independent, able to exercise objective judgement and act in the best interests of the Company, the Group, shareholders and other stakeholders. This evaluation also aims to identify any potential conflicts of interest among the independent directors that could impair their judgement.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied																				
Explanation on application of the practice	:	<p>As of the date of this report, none of the Independent Non-Executive Directors has served on the Company's Board for a cumulative term of more than nine (9) years. As at 31 August 2024, the tenure of each Independent Director is as follows:</p> <table border="1"> <thead> <tr> <th>Directors</th> <th>Appointment Date</th> <th>1-3 Years</th> <th>4-6 Years</th> </tr> </thead> <tbody> <tr> <td>Dato' Zulkifli Bin Adnan</td> <td>7/2/2020</td> <td></td> <td>✓</td> </tr> <tr> <td>Datuk Mak Foo Wei</td> <td>7/2/2020</td> <td></td> <td>✓</td> </tr> <tr> <td>Chong Chin Look</td> <td>7/2/2020</td> <td></td> <td>✓</td> </tr> <tr> <td>Choo Yem Kuen</td> <td>16/12/2021</td> <td>✓</td> <td></td> </tr> </tbody> </table> <p>In accordance with the Company's Board Charter and the Terms of Reference of the NC, the tenure of an independent directors shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board after re-designated as a Non-Independent Director.</p> <p>In the event the Board wishes to retain the independence as an Independent Director beyond nine (9) years, the Board must provide justification and seek annual shareholders' approval via a two-tier voting process at the AGM. Before recommending the continuation of the Independent Director for shareholders' approval, the NC is responsible for thoroughly evaluating and assessing the Director's independence status to ensure compliance with the relevant governance standards.</p>	Directors	Appointment Date	1-3 Years	4-6 Years	Dato' Zulkifli Bin Adnan	7/2/2020		✓	Datuk Mak Foo Wei	7/2/2020		✓	Chong Chin Look	7/2/2020		✓	Choo Yem Kuen	16/12/2021	✓	
Directors	Appointment Date	1-3 Years	4-6 Years																			
Dato' Zulkifli Bin Adnan	7/2/2020		✓																			
Datuk Mak Foo Wei	7/2/2020		✓																			
Chong Chin Look	7/2/2020		✓																			
Choo Yem Kuen	16/12/2021	✓																				
Explanation for departure	:																					
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>																						

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board values the importance of having a diverse Board's composition, incorporating an appropriate mix of skills, professional experience, age, gender, cultural background and ethnicity. This diversity is essential for fostering a wider range of perspectives and ideas that support the Group's sustainable business development.</p> <p>The NC is responsible for assessing and recommending suitable candidates for appointment as Directors of the Company. Guided by its Terms of Reference, the Directors' Fit and Proper Policy and the Gender Diversity Policy, the NC evaluates the candidates based on the following criteria, among others:</p> <ul style="list-style-type: none">(i) Character and integrity including probity, personal integrity, financial integrity and reputation;(ii) Experience and competence including qualifications, trainings, skills, relevant experience and expertise, and past performance or track record; and(iii) Time and commitment including ability to discharge role having regard to other commitments and participation and contribution to the Board. <p>During FYE 2024, the NC conducted an annual evaluation of the performance, skills, and experience of the Board and its Committees, as well as the commitment, skills, and contributions of each individual Director. The Board is satisfied with its current composition which comprises a diverse pool of talent from various fields, including experienced senior public service professionals, manufacturing experts and individuals with accounting and legal backgrounds. This composition equips the Board with a broad spectrum of competencies, technical skills and relevant experience that enable the organisation operates effectively and supports the sustainable development of the Group.</p> <p>In addition, the NC has reviewed the time commitment of all Directors during the FYE 2024. As a result, the NC is satisfied that all Directors</p>

	have devoted adequate time to fulfil their responsibilities to the Board and the Company, demonstrating satisfactory attendance rates at all Board and Board Committees' meetings held during the financial year, as well as at the Sixth ("6 th ") AGM of the Company held on 28 February 2024.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NC is responsible for overseeing the screening and recruitment process for appointment of new Directors. In this role, the NC diligently examines the suitability and qualification of the potential candidates through a formal and transparent process before making recommendations to the Board for appointment.</p> <p>In fulfilling its responsibilities, the NC assesses candidates based on various criteria, including individual suitability, a mix of skills, functional knowledge, expertise, experience, character, integrity and any additional commitments that could enhance and complement the Board's composition.</p> <p>In identifying potential candidates for directorship, the NC shall utilise independent sources or any other sources in addition to the recommendations from existing Board members, management or major shareholders, to pursue suitably qualified candidates, as guided by its Terms of Reference.</p> <p>During the FYE 2024, no new Directors were appointed to the Board.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>In accordance with the Clause 84 of the Company's Constitution, the following Directors are due for retirement and being eligible, have offered themselves for re-election at the forthcoming 7th AGM:</p> <p>(i) Mr. Yap Tian Tion; and (ii) Datuk Mak Foo Wei.</p> <p>These resolutions are described in the Notice of the 7th AGM, along with an explanatory note which is attached to the Company's Annual Report 2024 for the shareholders' perusal and consideration. Shareholders are well informed with the information of the abovementioned Directors, as highlighted in the Board of Directors' Profile section in the Annual Report 2024.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied													
Explanation on application of the practice	:	<p>Currently, the NC is chaired by Ms. Choo Yem Kuen, an Independent Non-Executive Director of the Company.</p> <p>The key responsibilities of the Chairperson of the NC include:</p> <p>(i) Leading the succession planning and appointment of Directors, and overseeing the development of a diverse pipeline for Board and management succession; and</p> <p>(ii) Leading the annual review of Board effectiveness, ensuring that the performance of each individual Director and the Board Chairman are independently assessed.</p> <p>To uphold impartiality in decision making, the NC consists exclusively of Independent Non-Executive Directors, as follows:</p> <table border="1"> <thead> <tr> <th>Designation</th> <th>Director</th> <th>Directorship</th> </tr> </thead> <tbody> <tr> <td>Chairperson</td> <td>Choo Yem Kuen</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>Member</td> <td>Datuk Mak Foo Wei</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>Member</td> <td>Chong Chin Look</td> <td>Independent Non-Executive Director</td> </tr> </tbody> </table>		Designation	Director	Directorship	Chairperson	Choo Yem Kuen	Independent Non-Executive Director	Member	Datuk Mak Foo Wei	Independent Non-Executive Director	Member	Chong Chin Look	Independent Non-Executive Director
Designation	Director	Directorship													
Chairperson	Choo Yem Kuen	Independent Non-Executive Director													
Member	Datuk Mak Foo Wei	Independent Non-Executive Director													
Member	Chong Chin Look	Independent Non-Executive Director													
Explanation for departure	:														
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>															
Measure	:														
Timeframe	:														

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to promoting gender diversity as guided by its Gender Diversity Policy. In selecting Board members, it ensures equal opportunities for all candidates who meet the specified criteria such as individual experience, knowledge and competency, as well as other qualities relevant to the Group's current business portfolios and potential investments.</p> <p>As at 31 August 2024, the Board includes three (3) female Directors, namely Ms. Yap Kai Ning, Ms. Yap Kai Min and Ms. Choo Yem Kuen. This represents 43% female Board representation, exceeding the 30% benchmark recommended by the best practices of the MCCG.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has in place a Gender Diversity Policy to promote women's participation in the Board and Senior Management within the Group. By adopting the Gender Diversity Policy, the Company has established a framework for the Group to foster a diverse and inclusive Board and management level, promote an environment that values individuals regardless of gender and ensure equal career development opportunities for all employees.</p> <p>The current Board has successfully achieved 43% representation of female Directors, exceeding the recommended minimum of 30% female Directors as advised by the MCCG.</p> <p>Nonetheless, gender is not considered a prerequisite for directorships or managerial positions within the Company or the Group. Instead, appointments are made based on objective criteria and merit to ensure the selection of the most qualified candidates, regardless of gender.</p> <p>The Gender Diversity Policy is available on the Company's website at http://www.cekd.com.my/policy-disclosures.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Board, through the NC, conducted an annual performance evaluation to assess the effectiveness of the Board as a whole, the Board Committees, and the contribution and performance of each individual Director.</p> <p>The performance evaluation process involved both self-assessment and peer reviews via digital evaluation forms, facilitated by the company secretaries. The Board assessed the annual assessment internally, considering the current evaluation framework to be effective.</p> <p>The content of the evaluation was customised and determined by the Board, encompassing a series of relevant assessment criteria, as follows:</p> <p><u>Performance Evaluation for the Board and Board Committees</u></p> <ul style="list-style-type: none"> (i) Board mix and composition; (ii) Board’s relationship with the Management; (iii) Quality of information and decision-making of the Board; (iv) Boardroom activities; (v) Governance of sustainability; (vi) Board Committees’ evaluation; (vii) Right composition of the Board Committees; (viii) Provision of useful recommendations by the Board Committees; (ix) Discharging responsibilities, deploying resources and expertise, and providing appropriate reporting and recommendations of the Board Committees; (x) Appointments based on appropriate criteria; (xi) Candidate consideration; (xii) Communication quality of the Board Committees; (xiii) Meeting minutes of the Board Committees; and (xiv) Board Committees’ deliberations communication.

Performance Evaluation for Individual Director

- (i) Contribution to interaction;
- (ii) Knowledge;
- (iii) Quality of input;
- (iv) Understanding of role; and
- (v) The role of Board Chairman and the Managing Director.

Based on the evaluation results, the NC summarised the findings and presented them to the Board, highlighting the following key areas:

- (i) An overview of the methodology and process used for the analysis to ensure transparency and comprehensiveness of the assessment;
- (ii) An analysis and evaluation of the performance of the Board, Board Committees and individual Directors, identifying strengths and areas for improvement; and
- (iii) Proposed initiatives for enhancing the effectiveness of the Board and Board Committees, promoting continuous improvement and alignment with best practices.

In addition, the NC also reviewed the following agenda items for the FYE 2024:

- (i) the Board's composition;
- (ii) the performance and effectiveness of individual Directors, the Board and Board Committees;
- (iii) the terms of office and overall effectiveness of the AC, as well as the performance of individual AC members;
- (iv) the length of service and independence of each Independent Non-Executive Director;
- (v) the tenure of each Director and recommended the re-election of retiring Directors at the forthcoming AGM;
- (vi) the Gender Diversity Policy and Succession Planning Policy and recommended them to the Board for adoption;
- (vii) the meeting attendance of the Directors at Board and Board Committees' meetings, along with their sufficiency of time commitment in discharging responsibilities; and
- (viii) reviewed the training programmes attended by the Directors for the financial year.

Based on the performance evaluation for the FYE 2024, the overall performance of the Board, Board Committees and individual Directors

	was deemed satisfactory. It was concluded that the Board, its Committees and all Directors had effectively fulfilled their duties and responsibilities, contributing their knowledge and experience to the Company.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board, through the RC, has established a formal Remuneration Framework that outlines the principles, structure, policies and procedures for determining the remuneration packages of Directors and Senior Management. These remuneration packages are designed to be competitive and sufficient, yet not excessive, aligning with the current market practices. The primary objective is to attract, retain, motivate and reward the Directors and Senior Management, thereby supporting the achievement of the Group's business goals.</p> <p>The remuneration structure for the Non-Executive Directors, Executive Directors and Senior Management are defined as follows:</p> <p>(i) <u>Non-Executive Directors</u></p> <p>The remuneration for Non-Executive Directors is designed to reflect their experience, competence, level of responsibilities, time commitment and the feedback from the annual evaluation undertaken by the NC. Generally, the remuneration package comprises Director's fee, meeting allowances and other benefits-in-kind such as insurance coverage and business travel.</p> <p>(ii) <u>Executive Directors and Senior Management</u></p> <p>The remuneration for Executive Directors and Senior Management is designed to link with the Group's performance and the achievement of their annual Key Performance Indicators ("KPIs"). The remuneration packages for Executive Directors and shall consist of a basic salary, Director fees, allowances, bonuses and other benefits-in-kind such as medical benefits and insurance coverage.</p>

	<p>On the other hand, Senior Management’s remuneration package shall contain the base salary, allowance, bonus and other benefits-in-kind, similar to that of Executive Directors.</p> <p>In addition, the remuneration for Directors and Senior Management shall consider the demands, complexities and performance of the Group, as well as the skills, experience, responsibilities and time commitment required for their roles.</p> <p>The said Remuneration Framework is available on the Company’s website at http://www.cekd.com.my/policy-disclosures. The RC will also periodically review the Remuneration Framework or as needed to ensure its continued relevance and effectiveness in line with the latest business and regulatory development.</p>	
Explanation for departure		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure		
Timeframe		

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The RC, entrusted by the Board, is responsible for reviewing and recommending suitable remuneration packages for Directors and Senior Management in accordance with the Company's Remuneration Framework, as well as the Group's business strategies and long-term objectives. To ensure transparency and impartially in deliberating the Group's remuneration matters, the RC consists exclusively of Independent Non-Executive Directors. The roles and responsibilities of the RC are governed by its Terms of Reference, which is available on the Company's website at http://www.cekd.com.my/policy-disclosures.</p> <p>Amongst others, the key responsibilities of the RC are set out as follows:</p> <ul style="list-style-type: none">(i) To implement policies and procedures on remuneration including reviewing and recommending matters in relation to the remuneration, fee and other benefits of the Board and Senior Management;(ii) To ensure that all Directors and Senior Management are fairly rewarded for their individual contribution to the Company's overall performance and that the remuneration commensurate with the level of executive responsibility and is appropriate in light of the Group's performance; and(iii) To ensure that the level and composition of remuneration of Directors and Senior Management can retain the right talent in the Board and Senior Management to drive the Group's long-term objective. <p>The RC is required to meet at least once a year to evaluate the remuneration affairs of all Directors and Senior Management. During these meetings, the RC reviews compensation packages and</p>

	<p>performance-related bonuses to ensure alignment with the Group's strategic objectives.</p> <p>To maintain impartiality, all Directors must abstain themselves from the discussions and voting regarding their own remuneration, ensuring that decisions are based solely on the RC's recommendations and assessments.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The details of the Directors' remuneration for the FYE 2024, on named basis, with remuneration breakdown is shown in the table below.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Zulkifli Bin Adnan	Independent Director	60.0	3.0	-	-	-	-	63.0	60.0	3.0	-	-	-	-	63.0
2	Yap Tian Tion	Executive Director	-	-	-	-	-	-	-	-	-	151.2	187.0	-	51.6	389.8
3	Yap Kai Ning	Executive Director	-	-	-	-	-	-	-	-	-	151.2	211.2	-	60.6	423.0
4	Yap Kai Min	Executive Director	-	-	-	-	-	-	-	-	-	164.2	249.8	-	55.2	469.2
5	Datuk Mak Foo Wei	Independent Director	42.0	2.5	-	-	-	-	44.5	42.0	2.5	-	-	-	-	44.5
6	Chong Chin Look	Independent Director	42.0	3.0	-	-	-	-	45.0	42.0	3.0	-	-	-	-	45.0
7	Choo Yem Kuen	Independent Director	42.0	3.0	-	-	-	-	45.0	42.0	3.0	-	-	-	-	45.0
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure								
Explanation on application of the practice	:									
Explanation for departure	:	<p>The Company believes that disclosing the remuneration of the top five (5) Senior Management members on a named basis may not serve the best interests of the Company, as it could lead to challenges in talent retention, particularly in a highly competitive industry.</p> <p>The Board ensures that the remuneration of Senior Management aligns with their experience, contributions, and commitment to fulfilling their responsibilities. This alignment considers the Company's performance and aims to maintain competitive remuneration packages that attract, retain, and motivate key talent.</p> <p>For the FYE 2024, the Senior Management's total remuneration and benefits in bands of RM50,000 are tabled as below:</p> <table border="1"> <thead> <tr> <th>Range of Remuneration</th> <th>Number of Senior Management</th> </tr> </thead> <tbody> <tr> <td>RM50,000 to RM100,000</td> <td>-</td> </tr> <tr> <td>RM100,001 to RM150,000</td> <td>-</td> </tr> <tr> <td>RM150,001 to RM200,000</td> <td>1</td> </tr> </tbody> </table>	Range of Remuneration	Number of Senior Management	RM50,000 to RM100,000	-	RM100,001 to RM150,000	-	RM150,001 to RM200,000	1
Range of Remuneration	Number of Senior Management									
RM50,000 to RM100,000	-									
RM100,001 to RM150,000	-									
RM150,001 to RM200,000	1									
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>										
Measure	:									
Timeframe	:									

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>To maintain the objectivity of the Board's review on the AC's findings and recommendations, the roles of the Board Chairman and the AC Chairman are held by two (2) different individuals. The AC is chaired by Mr. Chong Chin Look, while the Board is chaired by Dato' Zulkifli Bin Adnan, both of them are Independent Non-Executive Directors.</p> <p>The separation of these positions, along with the duties and responsibilities of the AC and its Chairman, are outlined in the Terms of Reference of AC, which is available on the Company's website at http://www.cekd.com.my/policy-disclosures.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Terms of Reference of the AC stipulates that a former key audit partner of the Group shall observe a cooling-off period of at least three (3) years before being eligible for appointment as a member of the AC. This requirement ensures that the independence and objectivity of the AC members are not compromised.</p> <p>Currently, none of the AC members are the former partners of the Company's external audit firm, and the Board does not foresee any new appointment of former audit partner to the AC.</p> <p>The Terms of Reference of the AC is available on the Company's website at http://www.cekd.com.my/policy-disclosures.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The AC is entrusted by the Board to assess and review both the audit and non-audit services provided by external auditors, along with reviewing their suitability and independence.</p> <p>In accordance with the AC's Terms of Reference, the AC shall conduct annual evaluations of the external auditors' suitability, objectivity and independence, as well as their quality for provision of audit and non-audit services. These evaluations will consider the following key factors:</p> <ul style="list-style-type: none">(i) The independence of the external audit firm;(ii) The adequacy, suitability, competency, experience and overall quality of the external auditors;(iii) The external auditors' capacity and resources, along with their ability to meet deadlines and address issues promptly, as outlined in the Audit Planning Memorandum; and(iv) The nature and extent of the non-audit services provided by the external auditors and the associated fees for such services. <p>The external auditors have provided written assurance to the Board confirming their independence throughout the audit engagement for the FYE 2024 in compliance with all applicable professional and regulatory requirements. Based on the annual performance evaluation conducted by the AC for the FYE 2024, the AC was satisfied with the performance and independence of the external auditors, Messrs. TGS TW PLT.</p> <p>Following the AC's recommendation, the Board approved the proposal for the re-appointment of Messrs. TGS TW PLT as the Company's external auditors for the financial year ending 31 August 2025, and to be recommended for the shareholders' approval at the forthcoming 7th AGM. Messrs. TGS TW PLT, has expressed their willingness to continue as the external auditors, subject to shareholders' approval at the forthcoming 7th AGM.</p>

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted												
Explanation on adoption of the practice	:	The AC comprises solely of Independent Non-Executive Directors as follows: <table border="1"><thead><tr><th>Designation</th><th>Name</th><th>Directorship</th></tr></thead><tbody><tr><td>Chairman</td><td>Chong Chin Look</td><td>Independent Non-Executive Director</td></tr><tr><td>Member</td><td>Datuk Mak Foo Wei</td><td>Independent Non-Executive Director</td></tr><tr><td>Member</td><td>Choo Yem Kuen</td><td>Independent Non-Executive Director</td></tr></tbody></table>	Designation	Name	Directorship	Chairman	Chong Chin Look	Independent Non-Executive Director	Member	Datuk Mak Foo Wei	Independent Non-Executive Director	Member	Choo Yem Kuen	Independent Non-Executive Director
Designation	Name	Directorship												
Chairman	Chong Chin Look	Independent Non-Executive Director												
Member	Datuk Mak Foo Wei	Independent Non-Executive Director												
Member	Choo Yem Kuen	Independent Non-Executive Director												

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The AC is primarily responsible for overseeing the integrity of corporate accounting and financial reporting within the Group. Therefore, all AC members should be financially literate, competent and able to understand the Group's financial information and reporting processes to effectively discharge their duties and responsibilities.</p> <p>Mr. Chong Chin Look, the AC Chairman, is a member of Malaysian Institute of Certified Public Accountants ("MICPA") and Malaysian Institute of Accountants ("MIA") bringing over 31 years of experience in accounting and finance. Datuk Mak Foo Wei has more than 27 years of experience in the legal profession, while Ms. Choo Yem Kuen is a practicing lawyer with over 35 years of experience, specialising in corporate advisory work. The qualifications and expertise of each AC members are detailed in the Board of Directors' Profile section of the Annual Report 2024 of the Company.</p> <p>While only one-third (1/3) of the AC members are affiliated with a professional accounting body, all members maintain financial literacy by staying informed about the latest developments in accounting and auditing standards, practices and regulations through continuous professional development and regular updates from Management and external auditors. The training programmes attended by AC members during the FYE 2024 are detailed in the Corporate Governance Overview Statement within the Company's Annual Report 2024.</p> <p>Based on the annual performance evaluation of the AC for the FYE 2024, the NC was satisfied that all AC members possess the necessary skills, knowledge and understanding to effectively assess the Group's financial statements and the accounting standards applied. Consequently, the Board, through the NC, believes that the AC has carried out its roles and responsibilities appropriately and effectively during the FYE 2024.</p>

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

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to maintain a robust system of risk management and internal control. To facilitate this, the Board has established an Enterprise Risk Management (“ERM”) Framework to serve as a guideline for the SRMC in overseeing the implementation of risk management practices across the Group.</p> <p>The ERM Framework outlines five (5) key steps for the Group's risk management procedures, namely identify, analyse, respond, monitor and report any potential risks or structural weaknesses that may hinder the Group's progress toward its business objectives.</p> <p>The SRMC is supported by the Group's ERM Working Committee, which facilitates the implementation of the ERM Framework across the Group. Each HOD within the ERM Working Committee is responsible for monitoring key risks identified within their respective areas. Any significant risks identified by the Management Team shall be reported to the SRMC and the Board to foster discussions on relevant risk mitigation measures and necessary actions for improvement, ensuring that all identified risks are effectively managed in alignment with the Group's business objectives.</p> <p>In addition to the ERM framework, the Board has implemented various Standard Operating Procedures through the Management Team, covering the key operational controls into daily operations to ensure smooth functioning of the Group's internal control system.</p> <p>The SRMC is also actively supported by the Group Sustainability Oversight Unit, led by the Executive Director/Chief Operation Officer. This unit monitors sustainability performance and provides the SRMC with semi-annual updates on the overall management of sustainability initiatives, which include the Group's sustainability risks and opportunities as well as the status of implementing sustainability activities and strategies, along with recommendations for any necessary revisions. The features of the Group Sustainability Oversight Unit are detailed in Practices 4.1, 4.2 and 4.5 of this Corporate Governance Report.</p>

	<p>To further enhance the effectiveness and efficiency of the Group’s risk management and internal control systems, the Board has outsourced its internal audit function to an independent professional firm to conduct periodic reviews. The AC monitors and evaluates the effectiveness of these internal audit activities, ensuring that the Management takes appropriate actions to improve operational control processes highlighted by the internal auditors. This proactive approach contributes to the ongoing effectiveness of the Group’s risk management and internal control systems.</p> <p>A comprehensive overview of the Group’s current state of risk management and internal control is disclosed in the Statement on Risk Management and Internal Control in the Company’s Annual Report 2024.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The SRMC is supported by the Group's ERM Working Committee, which facilitates the implementation of the ERM Framework across the Group. The ERM Working Committee consists of the Managing Director and the respective HODs for operations, sales, accounts as well as human resources and administration departments.</p> <p>Within the ERM Working Committee, each HOD is responsible for monitoring their respective department, identifying potential risks and reporting findings to the Managing Director to further discuss on the relevant risk mitigating measures. The Managing Director then presents these findings to the SRMC for notation and deliberation, facilitating any necessary improvements in the Group's risk management and internal control system.</p> <p>To systematically record and document all identified risks, a Risk Register is adopted to include relevant risk ratings, mitigation plans/actions and the designated responsible individuals. The SRMC is tasked to review and update the Risk Register regularly to ensure its relevance and alignment with the evolving business environment.</p> <p>The SRMC also regularly reviews the reports from the Group Sustainability Oversight Unit, focusing on the Group's sustainability risks and opportunities, as well as the implementation status of sustainability strategies. This diligent oversight ensures that sustainability risks and opportunities are integrated into the broader review of the Group's overall risk management.</p> <p>With the assurance provided by both the Management Team and the outsourced internal auditors, the Board was satisfied that the Group's risk management and internal control systems are operating effectively and adequately to safeguard the Group's assets, protect shareholders' investments and uphold the interests of all stakeholders.</p> <p>Further information pertaining to the Group's risk management and internal control system is presented in the Statement on Risk Management and Internal Control in the Company's Annual Report 2024.</p>

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

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted																		
Explanation on adoption of the practice	:	<p>The Board has entrusted the SRMC with oversight of the Group's risk management framework and policies. The composition of the SRMC consists of a majority of Independent Non-Executive Directors, as follows:</p> <table border="1"><thead><tr><th>Designation</th><th>Name</th><th>Directorship</th></tr></thead><tbody><tr><td>Chairman</td><td>Chong Chin Look</td><td>Independent Non-Executive Director</td></tr><tr><td>Member</td><td>Dato' Zulkifli Bin Adnan</td><td>Independent Non-Executive Chairman</td></tr><tr><td>Member</td><td>Datuk Mak Foo Wei</td><td>Independent Non-Executive Director</td></tr><tr><td>Member</td><td>Choo Yem Kuen</td><td>Independent Non-Executive Director</td></tr><tr><td>Member</td><td>Yap Kai Ning</td><td>Managing Director</td></tr></tbody></table> <p>The key roles and responsibilities of the SRMC are set out in its Terms of Reference, which is available on the Company's website at http://www.cekd.com.my/policy-disclosures.</p>	Designation	Name	Directorship	Chairman	Chong Chin Look	Independent Non-Executive Director	Member	Dato' Zulkifli Bin Adnan	Independent Non-Executive Chairman	Member	Datuk Mak Foo Wei	Independent Non-Executive Director	Member	Choo Yem Kuen	Independent Non-Executive Director	Member	Yap Kai Ning	Managing Director
Designation	Name	Directorship																		
Chairman	Chong Chin Look	Independent Non-Executive Director																		
Member	Dato' Zulkifli Bin Adnan	Independent Non-Executive Chairman																		
Member	Datuk Mak Foo Wei	Independent Non-Executive Director																		
Member	Choo Yem Kuen	Independent Non-Executive Director																		
Member	Yap Kai Ning	Managing Director																		

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has entrusted the AC to oversee the effectiveness of the internal audit function.</p> <p>The Group's internal audit function has been outsourced to Eco Asia Governance Advisory Sdn Bhd ("Eco Asia"), an independent professional firm to provide an independent assessment and objective assurance on the adequacy of the Group's internal control system to the AC and the Board.</p> <p>The AC has full and unrestricted access to all necessary information and resources within the Group, facilitating the internal auditors' work. The internal audit reviews are carried out based on the internal audit plan duly approved by the AC. The internal auditors then present their audit findings along with the corresponding root-cause analysis, potential risks, implications and proposed corrective actions to the AC during the AC meetings.</p> <p>The Management is tasked to implement the recommended corrective actions from the internal auditors within a set timeframe. Thereafter, the internal auditors will conduct follow-up reviews to ensure the corrective actions are properly implemented.</p> <p>For the FYE 2024, the Board is of the opinion that the Group's internal audit function is operating effectively, with no significant weaknesses being noted from the Group's internal control system that could materially impact the Group's financial performance or operations and require separate disclosure in the Company's Annual Report 2024.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied						
Explanation on application of the practice	:	<p>For the FYE 2024, the Board appointed Eco Asia, an independent professional firm, to carry out its internal audit function. The internal auditors carry out their duties with complete independence and is free from any relationships or conflicts of interest that might impair their objectivity. They execute the internal audit reviews with a high level of professional expertise and diligence.</p> <p>The internal audit engagement team is headed by Ms. Janeeta Salim, the Head of Internal Audit Department in Eco Asia. She is an associate member of the IIA. She brings valuable expertise to the team with her extensive experience in the internal audit field. During FYE 2024, she was supported by a team consisting of a Manager, an Assistant Manager, a Senior Consultant and a Junior Consultant to conduct the following internal audit reviews:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Quarter</th> <th style="text-align: center;">Internal Audit Review Conducted</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Q2, FYE 2024</td> <td style="text-align: center;">Purchase Management</td> </tr> <tr> <td style="text-align: center;">Q3, FYE 2024</td> <td style="text-align: center;">Sales to Collection Review</td> </tr> </tbody> </table> <p>The internal audit reviews were conducted in accordance with the International Professional Practices Framework (“IPPF”).</p>	Quarter	Internal Audit Review Conducted	Q2, FYE 2024	Purchase Management	Q3, FYE 2024	Sales to Collection Review
Quarter	Internal Audit Review Conducted							
Q2, FYE 2024	Purchase Management							
Q3, FYE 2024	Sales to Collection Review							
Explanation for departure	:							
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>								
Measure	:							

Timeframe	:		
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Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of timely, transparent and effective communication with shareholders and stakeholders to foster mutual trust and understanding. Committed to providing prompt, accurate and fair disclosure of the Group's business operations and developments, the Company primarily utilises the following engagement methods:</p> <p>(i) <u>E-mail and face-to-face communications</u> The primary means of interaction with customers and suppliers are through e-mail and face-to-face meetings, facilitating daily business operations.</p> <p>(ii) <u>Company's website</u> The investor relations section on the Company's website at http://www.cekd.com.my/home provides the public with equal access to the Group's information, including corporate information, corporate governance, financial information, stock information, investor centre and reports, and news alert.</p> <p>(iii) <u>Corporate announcements made to Bursa Securities</u> Quarterly financial reports and material information disclosures are submitted to Bursa Securities and able to be accessed on the Bursa Securities' website at https://www.bursamalaysia.com/.</p> <p>(iv) <u>Annual Report</u> The Company's Annual Report is the key communication tool, offering a comprehensive overview of the Group. It encompasses vital information on business operations, financial performance, corporate governance, sustainability initiatives, risk management, internal control systems and the Group's future outlook.</p> <p>(v) <u>AGM</u> AGM serves as a primary platform for dialogue with shareholders, allowing for formal communication of internal information pertaining to the Company and the Group. During the AGM,</p>

	<p>shareholders have the opportunity to engage in direct and transparent discussions with the Board and the Management by raising questions or expressing concerns.</p> <p>(vi) <u>Investor Relations</u> For inquiries related to investor relations, the investors may reach out to the Company through the dedicated investor email at ir@cekd.com.my.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of the AGM as a vital platform for direct and meaningful communication between the Board and the Company's shareholders. Therefore, the Board is committed to ensuring that shareholders are given ample time to review and consider the resolutions to be discussed at the AGM.</p> <p>To facilitate this, the Company has implemented a practice of issuing the AGM notice via email or despatch (for those without email address) to the registered shareholders at least twenty eight (28) days prior to the meeting. This ensures that shareholders have adequate time to peruse the Company's Annual Report and consider the resolutions to be discussed and voted on during the AGM.</p> <p>The notice of the 6th AGM of the Company was circulated to the shareholders on 28 December 2023, exceeding the required twenty eight (28) days' notice period ahead of the 6th AGM held on 28 February 2024. Further, to enhance outreach, the AGM notice was published in nationally circulated newspapers and made available on the Company's website at www.cekd.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board regards general meetings as an important avenue for shareholders to interact with Directors, providing an opportunity for shareholders to voice their concerns and receive direct insights into the Company's management. This fosters a more comprehensive and meaningful dialogue between the Board and its shareholders.</p> <p>During the 6th AGM, the Board demonstrated its commitment through full attendance at the meeting. The Chairman, along with the members of the Board Committees and Senior Management, provided comprehensive responses to all questions and concerns raised prior to the meeting, as well as those submitted during the event. Additionally, the external auditors were invited to participate in the 6th AGM to address any queries from shareholders related to the audit process and the preparation of the Company's and Group's financial statements, if any.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 6th AGM of the Company held on 28 February 2024 was conducted virtually using the Remote Participation and Voting (“RPV”) facilities via the platform facilitated by Bina Management (M) Sdn Bhd (“Bina”), which can be accessed via Bina’s website at https://www.binamanagement.com.my (“BINA Portal”). The Company utilised technology to enhance greater shareholder participation in the 6th AGM and improve the meeting’s proceedings through live streaming and online remote voting for the resolutions tabled at the meeting. An administrative guide detailing the registration and voting procedures was issued alongside the notice of the AGM to assist the shareholders in using the online platform, and this information was also published on the Company’s corporate website to further encourage participation from the shareholders.</p> <p>The 6th AGM offers the same level of transparency and participation as an in-person meeting, ensuring that shareholders can engage effectively in discussions and decision-making processes.</p> <p>Furthermore, the Board engaged Bina as the poll administrator to oversee the voting process, while Symphony Corporate Services Sdn Bhd was appointed as the independent scrutineer to conduct an impartial assessment of the votes cast. This collaborative effort significantly enhances the transparency and credibility of the election outcomes.</p> <p>To ensure strong cyber hygiene, Bina has established a robust cybersecurity strategy that includes end-to-end encryption (“E2EE”), thorough application reviews, assessments of web application security, the installation of a data protection firewall and antivirus software to reduce the potential risk of data exposure.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>During the fully virtual 6th AGM, shareholders participated the meeting remotely using the RPV facilities provided by Bina. The Board Chairman began the meeting by outlining the shareholders' rights and procedures for participation, including the process for submitting questions in real time and exercising their voting rights through remote electronic voting facilities.</p> <p>A comprehensive overview of the Group's financial and operational progress was shared during the 6th AGM. The shareholders and proxies were given opportunity to ask questions via the RPV facilities during the Question and Answer ("Q&A") session, which the Board Chairman and Directors have addressed accordingly. For those questions are not responded during the meeting due to time constraints, the Company has answered the questions via email after the conclusion of the 6th AGM. For particularly lengthy or duplicate questions, the Board and Management would summarise the inquiries to maintain clarity and conciseness.</p> <p>All Directors, Senior Management and external auditors will be present at the forthcoming 7th AGM to address any questions and provide clarifications to shareholders. Shareholders are encouraged to engage by discussing the Group's activities and prospects and sharing their expectations and concerns during the forthcoming 7th AGM.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Board engaged Bina to provide the RPV facilities for the 6th AGM, with detailed procedures for participating in the virtual meeting outlined in the "Administrative Guide for the 6th AGM".</p> <p>Bina offers a virtual meeting platform accessible through the BINA Portal at https://www.binamanagement.com.my, which can be accessed from desktops, laptops, tablets and mobile devices. All shareholders and proxies can use any of these devices to participate in the meeting, pose questions and cast their votes in real-time polling during the meeting.</p> <p>All questions raised by shareholders and proxies were visible to all meeting participants during Q&A session of 6th AGM.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: Upon completion of the 6 th AGM, the Company has published the minutes of 6 th AGM along with the voting outcomes on its website at http://www.cekd.com.my/shareholders-meeting on 20 March 2024, within thirty (30) business days after the 6 th AGM's conclusion.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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