

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0238
COMPANY NAME : CEKD BERHAD
FINANCIAL YEAR : August 31, 2021

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>CEKD Berhad ("CEKD" or "the Company") and its subsidiaries (collectively known as "the Group") is headed by the Board of Directors ("Board"). The Board is collectively responsible for the proper stewardship of the business of the Group and the creation of long-term success of Company as well as the delivery of sustainable value to its stakeholders. To enable the Board to discharge its responsibilities in meeting the goals and objectives of the Company, 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) not improperly use his/her position or misuse information of the Company; and(iv) commit the time necessary to discharge effectively his/her role as a Director. <p>The Company has adopted the Board Charter and the role of the Board is set out under Item 6.1 of the Board Charter.</p> <p>In discharging its functions and responsibilities, the Board has delegated certain duties and functions to various Board Committees, namely Audit Committee ("AC"), Nominating Committee ("NC"), Remuneration Committee ("RC") and Risk Management Committee ("RMC"). The power for this delegation is set out under Item 5 of the Board Charter adopted by the Company.</p> <p>The roles and responsibilities of the Board and respective Board Committees are set out in the Board Charter and respective Board Committees' Terms of Reference, which are available on the Company's website at http://www.cekd.com.my/corporate-governance.</p>

	<p>The Board has taken into consideration the shareholders' and stakeholders' interests when setting the vision and mission to ensure their obligations are understood and met.</p> <p>During each Board meeting, the Directors undertake the following activities: -</p> <ul style="list-style-type: none"> a) Assess the Company's performance and financial position on a quarterly basis; b) Review and assess the level of operation of the Company; c) Provide constructive feedback and guidance on areas which should be improved; d) Review and follow-up on issues raised at each meeting to ensure that suggested action items and solutions have been implemented; and e) Review quarterly financial results and announcements. 	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is led by Dato' Zulkifli Bin Adnan, an Independent Non-Executive Chairman. The Chairman, charged with leadership of the Board, is responsible for good corporate governance practices, leadership and effectiveness of the Board.</p> <p>The Company has adopted a Board Charter, which describes the role of the Chairman or Deputy Chairman under Item 6.2 as follows: -</p> <p>6.2. Role of Chairman/Deputy Chairman</p> <p>6.2.1. Leading the Board in setting the values and standard of the Company.</p> <p>6.2.2. Overseeing the effective discharge of the Board's supervisory role.</p> <p>6.2.3. Facilitating the effective contribution of all Directors.</p> <p>6.2.4. Conducting the Board's function and meetings.</p> <p>6.2.5. Briefing all the Directors in relation to issues arising at meetings.</p> <p>6.2.6. Ensuring effective communication with shareholders and relevant stakeholders.</p> <p>6.2.7. Scheduling regular and effective evaluations of the Board's performance.</p> <p>6.2.8. Ensuring the provision of accurate, timely and clear information to Directors.</p> <p>6.2.9. Promoting constructive and respectful relations between Board members and between the Board and the Management.</p> <p>The Board Charter is available on the Company's website at http://www.cekd.com.my/corporate-governance.</p> <p>During Board meetings, the Chairman plays an active role in ensuring that all Directors are given an opportunity to contribute to discussions, and that all matters on the agenda are addressed.</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

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The positions for the Chairman, Deputy Executive Chairman and Managing Director ("MD") are held by different individuals to ensure the balance of control, power and authority.</p> <p>The Independent Non-Executive Chairman, Dato' Zulkifli Bin Adnan is primarily ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure that contributions from Directors on forthcoming matters are being deliberated.</p> <p>The Deputy Executive Chairman, Mr. Yap Tian Tion is responsible for the Group's overall business strategy and business direction.</p> <p>The MD, Ms. Yap Kai Ning is accountable for overseeing the Group's day-to-day operations.</p> <p>The Board is of the view that the distinct and separate roles of the Chairman, Deputy Executive Chairman and MD are held by different individuals, with a clear distinct roles and responsibilities, enable a balance of power and authority, such that no one individual has unfettered powers of decision-making.</p> <p>The clear lines of responsibilities between the Chairman and Executive Directors can be found in the Board Charter, which is available on the Company's website at http://www.cekd.com.my/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 1.4

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 Company has adopted a Board Charter which sets out the role of the Company Secretary under Item 4.</p> <p>The Board is supported by two (2) suitably qualified and competent Company Secretaries, namely Ms. Teo Soon Mei and Ms. Lim Jia Huey. Both Company Secretaries are qualified under Section 235(2)(a) of the Companies Act, 2016.</p> <p>Ms. Teo Soon Mei is a Fellow 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 Malaysia") as well as holds a Master of Corporate Governance with more than 25 years of corporate secretarial experience and vast knowledge in support to the Board in carrying out its fiduciary duties and stewardship role in shaping the standard of corporate governance of the Group. Currently, Ms. Teo also acts as the Company Secretary of several other companies listed on Bursa Malaysia Securities Berhad ("Bursa Securities").</p> <p>Ms. Lim Jia Huey is an Associate of the MAICSA (Chartered Secretary and Chartered Governance Professional). She has more than 10 years of experience in handling corporate secretarial matters, with practical knowledge of many industries. Currently, Ms. Lim is also the Company Secretary of several other companies listed on Bursa Securities.</p> <p>In assisting the Board, the duties of the Company Secretaries include: -</p> <ul style="list-style-type: none">i) maintain the Group's statutory records, registers and documents in a proper manner to assist the Board to discharge its fiduciary responsibilities in accordance with good corporate governance practice;ii) coordinate all Board and Board Committee meeting logistics, attend, record minutes and facilitate Board communications;

	<ul style="list-style-type: none"> iii) advise the Board on its roles and responsibilities, corporate disclosures as well as on procedural and regulatory requirements and ensure compliance therewith; iv) regularly update on new statutory and regulatory requirements; v) communicate with regulatory bodies and attend to the necessary filings; vi) facilitate the orientation of new Directors and assist in Directors' training and development; vii) manage processes pertaining to the general meetings; viii) monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and ix) facilitate stakeholders' communication. <p>The Company Secretaries constantly keep themselves abreast of the evolving regulatory changes and developments in corporate governance practices through continuous training. During the year, the Company Secretaries have accumulated the requisite Continuing Professional Development points required of MAICSA members who are practicing company secretaries.</p> <p>During the financial year under review, the Company Secretaries and the representative of the Company Secretaries attended all Board and Board Committee meetings.</p> <p>In addition, the Company Secretaries provided advice, update and guidance to the Board and Management on matters of a regulatory or company secretarial nature.</p> <p>The Board is satisfied with the performance and support rendered by the Company Secretaries in discharging their duties.</p>
Explanation for departure :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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>Item 7.3 of the Company's Board Charter sets out the relevant provisions governing the notices of meeting and Board papers.</p> <p>All Board and Board Committee meetings are scheduled in advance to enable the Board to reserve their dates for the meetings. In facilitating the meetings, all notices of meetings together with the agenda, minutes of previous meetings, and other relevant supporting papers are circulated to all Board members at least seven (7) days before the scheduled meetings.</p> <p>This shall ensure that all Directors have sufficient time to review and peruse on such matters accordingly and, if necessary, to obtain further information and clarification in order to facilitate well-informed decision making during the meetings.</p> <p>The Board is given full and unrestricted access to all information pertaining to the Group's affairs. Other information and/or report will also be supplied upon the specific request by the Board to enable them to discharge their duties and responsibilities. Senior Management staffs are also invited to the Board meetings to brief the Board on areas of business within their responsibilities, provide Board members with insights into the business or to clarify the matters tabled or raised by the Board and if required, external professional advisors are engaged to provide input on such matters.</p> <p>All proceedings are minuted by the Company Secretaries and would be distributed to the Board in a timely manner for review and thereafter to confirm at the next meeting.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:

Timeframe	:		
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Intended Outcome

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 adopted a Board Charter which articulates the respective roles and responsibilities of the Board, Board Committees, Chairman/Deputy Chairman, Executive Directors, Independent Non-Executive Directors and Company Secretary as well as the matters that are reserved for the Board's deliberation and decision.</p> <p>The Board Charter covers the following broad areas: -</p> <ul style="list-style-type: none"> • Composition of the Board, including size, appointments, re-elections and tenure of Independent Directors; • Roles and responsibilities of the Board, Board Committees, Chairman, Executive Directors, Independent Non-Executive Directors and Company Secretary; • Board procedures covering meetings; • Board's relationships with the shareholders and investors; • Compliance of conduct, its core areas and application; and • Review of the Board Charter. <p>This Board Charter shall be reviewed annually by the Board to ensure it remains consistent with its objectives and responsibilities and existing regulatory requirements.</p> <p>A copy of Board Charter adopted is available on the Company's website at http://www.cekd.com.my/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

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 Group has put in place the Code of Conduct and Ethics ("the Code") for all Directors and employees of the Group in an attempt to instil ethical business conducts.</p> <p>The Code clearly outlines the proper dealings in terms of business conduct and employee conduct respectively. It sets out the policies and procedures which uphold high integrity in corporate governance compliance measures, including but not limited to managing conflicts of interest, preventing the abuse of power, bribery and corruption, insider trading as well as money laundering. The Board reviews the Code regularly to ensure its relevance and appropriateness.</p> <p>Nonetheless, the Group has also adopted an Anti-Bribery and Anti-Corruption Policy ("ABC Policy") in line with the enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) to prohibit bribery and/or corruption in the business conduct within the Group. The ABC Policy promotes the compliance to all applicable anti-bribery and corruption laws in Malaysia to ensure fair and transparent business dealings are conducted in the highest ethical standards.</p> <p>The Code and ABC Policy are published on the Company's website at http://www.cekd.com.my/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	:		
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Intended Outcome

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

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

Practice 3.2

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

Application :	Applied	
Explanation on application of the practice :	<p>The Group has adopted a Whistleblowing Policy that provides guidelines for all Directors, employees of the Group, external parties and stakeholders to raise their concerns about any unethical behaviour, malpractices, illegal acts and/or failure to comply with applicable laws, internal policy, rules and regulations within the Group.</p> <p>Upon receiving the written complaint or allegation of misconduct, the RMC shall set up an investigation team for further action and investigation. The investigation process shall be conducted in a confidential, accurate, fair and impartial manner.</p> <p>Pursuant to the Whistleblower Protection Act 2010, all whistleblowers shall be protected and not be at the risk of any kind of reprisal, threat, harassment, retribution, or victimization (“detrimental action”) from their superiors or from any party within the Group due to their disclosure, provided the disclosure be made in good faith, free from malicious intent and on reasonable grounds for believing it is true.</p> <p>The Whistleblowing Policy shall be reviewed from time to time to ensure its relevance. It is made available on the Company’s website at http://www.cekd.com.my/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

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

Practice 4.1

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

Application	:	Applied											
Explanation on application of the practice	:	<p>The present Board comprises of seven (7) members and at least half of the Board are Independent Directors. The composition of the Board comprises of four (4) Independent Non-Executive Directors, two (2) Executive Directors and one (1) Alternate Director.</p> <p>With the independent position of the following Independent Directors, they are particularly important to ensure that the strategies proposed by the Executive Directors are acting in the best interests of the Group as well as the shareholders and various stakeholders. The decision making would not be dominated by the Management team or the Executive Directors: -</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Position</th> </tr> </thead> <tbody> <tr> <td>Dato' Zulkifli Bin Adnan</td> <td>Independent Non-Executive Chairman</td> </tr> <tr> <td>Datuk Mak Foo Wei</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>Chong Chin Look</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>Choo Yem Kuan (Appointed on 16/12/2021)</td> <td>Independent Non-Executive Director</td> </tr> </tbody> </table>		Name	Position	Dato' Zulkifli Bin Adnan	Independent Non-Executive Chairman	Datuk Mak Foo Wei	Independent Non-Executive Director	Chong Chin Look	Independent Non-Executive Director	Choo Yem Kuan (Appointed on 16/12/2021)	Independent Non-Executive Director
Name	Position												
Dato' Zulkifli Bin Adnan	Independent Non-Executive Chairman												
Datuk Mak Foo Wei	Independent Non-Executive Director												
Chong Chin Look	Independent Non-Executive Director												
Choo Yem Kuan (Appointed on 16/12/2021)	Independent Non-Executive Director												
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 4.2

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 justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

Application	:	Not applicable - No independent director(s) serving beyond 9 years	
Explanation on application of the practice	:	All Independent Directors are newly appointed in conjunction to the listing of 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

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

Practice 4.3 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Board has established a policy in Board Charter to limit the tenure of Independent Directors to nine (9) years. The Board through the NC of the Company to assess the independence of the Directors annually.</p> <p>Upon completion of the nine (9) years, an Independent Director may continue, to serve on the Board subject to the Directors' re-designation as a Non-Independent Director. In the event the Board intends to retain the Independent Director as an Independent Director after serving a cumulative term of nine (9) years, shareholders' approval will be sought.</p>

Intended Outcome

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

Practice 4.4

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company acknowledges that the appointment of Board and Senior Management is based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.</p> <p>The current composition of Board and Senior Management reflects a mix of qualified and experienced professionals in the field of business administration, internal quality, accounting, legal and public management. A well-balanced Board and Senior Management is able to draw on a wider pool of perspectives and expertise and contribute greater depth and breadth of deliberation for the Group's sustainable growth.</p> <p>The NC is responsible for identifying and recommending the nomination of new Board member. In identifying suitably qualified candidates for directorship, NC will evaluate candidate based on the prescribed set of criteria, including but not limited to core competency, integrity, character, time commitment and relevant experience of the individual. This is to ensure that there is a range of professional knowledge, skills, experience and diversity understanding of the business, markets and the industry in which the Group operates in order to support the Group's business operations. The prescribed criteria to identify the suitable candidates for directorship is delineated in the Terms of Reference of NC at http://www.cekd.com.my/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

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

Practice 4.5

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Currently, the Board does not define the Company's policies on gender diversity. However, during the financial year, the Board is supportive of gender diversity by having one (1) female Director in the Board, namely Ms. Yap Kai Ning, representing 20% of female Board representation. Subsequent to the financial year end, the Company appointed an additional female Director namely Ms. Choo Yem Kuen on 16 December 2021 on Board. Upon the appointment of Ms. Choo Yem Kuen, the female Board representation of the Company has been increased to 33%.</p> <p>The Board is of the opinion that the appointment of Directors is based on merits without giving regards to gender of the appointed Directors and also considers the merited factors, such as competency, integrity, character, time commitment and relevant experience, which are more important for the consideration in meeting the Group's need.</p> <p>To avoid any mismatch and ineffective appointment of female Directors, the Board does not set any specific target for female Directors. However, the Board practises non-gender discrimination and endeavours to promote workplace diversity and supports the representation of women in the composition of Board and Senior Management positions of the Company.</p> <p>However, for future vacancy, suitable female director who can bring value, skills and expertise to the Board shall be given equal consideration.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board had on 16 December 2021 appointed a second female Director, to increase the female Board representation of the Company to 33%. The Company will also consider to increase women's participation in decision-making positions by extending the pool of women's candidacy at the Senior Management level.

Timeframe	:		
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Intended Outcome

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

Practice 4.6

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.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>For the succession planning to the Group, the Board recognises the significance of not solely relying on recommendations from existing Board members, Senior Management or major shareholders in identifying candidates for the Board appointment.</p> <p>However, the Board is currently mainly relying on recommendations from the Board members, Senior Management or major shareholders in identifying suitably qualified candidates for appointment of Directors as this may speed up the appointment process.</p> <p>Moving forward, the Board and the NC would not hesitate to utilise independent sources to identify suitably qualified candidates, when necessary.</p> <p>As set out in the Terms of Reference of the NC, the Directors appointment process shall be carried out by evaluating the recommended candidates based on the prescribed set of criteria.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The NC is also open to referrals from external sources available, such as industry and professional association, as well as independent search firms.
Timeframe	:	

Intended Outcome

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

Practice 4.7

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

Application	:	Applied															
Explanation on application of the practice	:	<p>The NC which comprises three (3) Directors, are exclusively made up of Independent Non-Executive Directors and is currently chaired by Ms. Choo Yem Kuen, who was appointed on 16 December 2021 to replace Dato' Zulkifli, who is the Chairman of the Board, as the Chairman of the NC. The composition of NC is as follows: -</p> <table border="1"><thead><tr><th>Position</th><th>Name</th><th>Directorship</th></tr></thead><tbody><tr><td>Chairperson</td><td>Choo Yem Kuen <i>(Appointed on 16/12/2021)</i></td><td>Independent Non-Executive Director</td></tr><tr><td>Chairman</td><td>Dato' Zulkifli Bin Adnan <i>(Ceased on 16/12/2021)</i></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>Chong Chin Look</td><td>Independent Non-Executive Director</td></tr></tbody></table>	Position	Name	Directorship	Chairperson	Choo Yem Kuen <i>(Appointed on 16/12/2021)</i>	Independent Non-Executive Director	Chairman	Dato' Zulkifli Bin Adnan <i>(Ceased on 16/12/2021)</i>	Independent Non-Executive Chairman	Member	Datuk Mak Foo Wei	Independent Non-Executive Director	Member	Chong Chin Look	Independent Non-Executive Director
Position	Name	Directorship															
Chairperson	Choo Yem Kuen <i>(Appointed on 16/12/2021)</i>	Independent Non-Executive Director															
Chairman	Dato' Zulkifli Bin Adnan <i>(Ceased on 16/12/2021)</i>	Independent Non-Executive Chairman															
Member	Datuk Mak Foo Wei	Independent Non-Executive Director															
Member	Chong Chin Look	Independent Non-Executive Director															
Explanation for departure	:																
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Measure	:																
Timeframe	:																

Intended Outcome

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

Practice 5.1

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 and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

Application	: Applied
Explanation on application of the practice	<p>The Board has, through the NC assessed and evaluated the performance and effectiveness of the Board and Board Committees, as well as each individual Directors in the financial year ended 31 August 2021 (“FYE 2021”). The process is carried out via digital assessment forms sent to Directors pertaining to the following evaluation: -</p> <p><u>Performance Evaluation for the Board and Board Committees</u> All Directors had conducted the assessment on the performance of the Board and Board Committees of the Company for the FYE 2021 comprising the following five (5) areas: -</p> <ul style="list-style-type: none">i. Board mix and compositionii. Board’s relationship with the Managementiii. Quality of information and decision makingiv. Boardroom activitiesv. Board Committees evaluation <p><u>Performance Evaluation for Individual Director</u> Each Director of the Company, and the scope of assessment comprising the Directors’ contribution to interaction, knowledge, quality of input and their understanding of role. In addition, the performance of the Board Chairman, Deputy Chairman and the MD were also assessed by all Directors in term of their roles and responsibilities.</p> <p><u>Assessment of the Effectiveness of the AC as a Whole</u> The NC has reviewed the terms of office and effectiveness of the AC as whole and the performance of individual AC members. Based on the evaluation conducted for the FYE 2021, the NC was satisfied with the performance of the Board as a whole and its Committees, individual Board member and AC. All the Directors and Board Committees provided anonymous feedback on their peers’ performance and individual performance contribution to the Board and respective Committees.</p> <p>The results were then collated by the Company Secretaries and tabled to the NC for deliberation. The review supported the</p>

	<p>Board’s decision to endorse all retiring Directors standing for re-election. The Board takes cognisance of the importance of independence and objectivity in relation to the decision-making process and effectiveness of the Board’s function. The Board therefore has adopted the same criteria of “Independence” used in the definition of “Independent Directors” prescribed by the ACE Market of Bursa Securities.</p> <p>The Board was satisfied with the results of the annual assessment and the current size and composition of the Board is appropriate and well-balanced with the right mix of skills, comprising individuals of high calibre, credibility and with the necessary skills and qualifications to enable the Board to discharge its duties and responsibilities effectively.</p> <p>The annual assessment of the NC has recommended to the Board to appoint an additional woman Independent Non-Executive Director to: -</p> <p>a) adopt the best practice under Practice Note 5.9 of MCGG to work towards 30% women representation on the Board.</p> <p>b) adopt the best practice under Practice Note 1.4 of MCGG to fill in the vacancy of the Board Committees, namely AC, NC and RC, if the Chairman of the Board to step down as the members of Board Committees.</p> <p>Based on the recommendation of NC, the Board had on 16 December 2021, appointed Ms. Choo Yem Kuen as an additional woman Director of the Company.</p> <p>Going forward, the Board will continue its efforts on reviewing and addressing the recommendation to strive further for ensuring the effectiveness of the Board, diversity of gender and in so doing, it aims to achieve the best corporate governance practices and further enhance the corporate value.</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 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 6.1

The board has in place 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 policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board has not established a formal Remuneration Policy as a guide for the Board and the RC to determine the remuneration of Directors and/or Senior Management of the Company.</p> <p>The remuneration is reviewed by the RC on an annual basis prior to making its recommendations to the Board for approval. In its review, the RC considers various factors including the Directors' fiduciary duties, time commitments and expertise expected from them and the Company's performance. The remuneration packages of the Deputy Chairman, MD and Senior Management are tabled and reviewed by the RC based on the Key Performance Indicators, before recommendation is made to the Board for approval.</p> <p>For Non-Executive Directors, the level of remuneration is reflective of their experience and level of responsibilities. A review of the fees for Non-Executive Directors should take into account fee levels and trends for similar positions in the market, time commitment required from the Director (estimated number of days per year). Such review should take into consideration any additional responsibilities undertaken such as a Director acting as Chairman of a Board Committee or as the Senior Independent Non-Executive Director.</p> <p>Apart from recommending the remuneration package of MD to the Board, the remuneration of the Senior Management (where they are not a Director of the Company) also be recommended by the RC. In determining the remuneration for the Senior Management, the RC should ensure that the rewards are in line with the following key objectives: -</p>

	<ul style="list-style-type: none"> i. The offer is sufficient to attract and retain the best candidate in the short term; ii. The incentives offered are appropriate to motivate the Senior Management to perform at their maximum on a continuous basis; and iii. The Senior Management's remuneration is aligned with shareholder value whilst creating an effective "golden handcuff" in the long term. 		
	<p>The RC is responsible to review the Directors' fees and benefits before recommend to the Board for shareholders' approval at the forthcoming Annual General Meeting ("AGM").</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>The RC will formalise the remuneration framework and policy to ensure it remains applicable and in compliance with relevant corporate governance provisions.</p>		
<p>Timeframe :</p>	<table border="1" style="width: 100%; height: 40px;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%;"></td> </tr> </table>		

Intended Outcome

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

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

Practice 6.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a RC, comprising exclusively of Independent Non-Executive Directors, to assist the Board by recommending appropriate remuneration framework in line with the business strategies and long-term objectives of the Company.</p> <p>The RC is principally responsible for the development and review of the remuneration policy and packages of the Board members, and subsequently furnishes their recommendations to the Board for adoption. The RC is also responsible to ensure that the remuneration package and benefits of the Board and the Senior Management of the Group are benchmarked with industry standards in light of the Group's performance in the industry.</p> <p>Each Director will abstain from the deliberation and voting on matters pertaining to their own remuneration. The Terms of Reference of RC which details out the roles and responsibilities in relation to the remuneration matters, is accessible on the Company's corporate website at http://www.cekd.com.my/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

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 7.1

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	:	<p>In line with best corporate governance practice, the disclosure of the Directors' remuneration on named basis received or to be received for the FYE 2021 are as below: -</p> <p>i) Non-Executive Directors (Company)</p> <table border="1"> <thead> <tr> <th>Director</th> <th>Fees (RM'000)</th> <th>Salary (RM'000)</th> <th>Bonus (RM'000)</th> <th>Meeting Allowance (RM'000)</th> </tr> </thead> <tbody> <tr> <td>Dato' Zulkifli Bin Adnan</td> <td>-</td> <td>-</td> <td>-</td> <td>4</td> </tr> <tr> <td>Datuk Mak Foo Wei</td> <td>-</td> <td>-</td> <td>-</td> <td>4</td> </tr> <tr> <td>Chong Chin Look</td> <td>-</td> <td>-</td> <td>-</td> <td>4</td> </tr> <tr> <td>Choo Yem Kuen (Appointed on 16/12/2021)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>ii) Executive Directors (Group)</p> <table border="1"> <thead> <tr> <th>Director</th> <th>Fees (RM'000)</th> <th>Salary (RM'000)</th> <th>Bonus (RM'000)</th> <th>Other Emoluments (RM'000)</th> </tr> </thead> <tbody> <tr> <td>Yap Tian Tion</td> <td>225</td> <td>148</td> <td>18</td> <td>-</td> </tr> <tr> <td>Yap Kai Ning</td> <td>120</td> <td>148</td> <td>15</td> <td>2</td> </tr> <tr> <td>Yap Kai Min *</td> <td>20</td> <td>34</td> <td>-</td> <td>13</td> </tr> </tbody> </table> <p>Note: - * Yap Kai Min is the Executive Director of Hotstar (M) Sdn Bhd.</p>	Director	Fees (RM'000)	Salary (RM'000)	Bonus (RM'000)	Meeting Allowance (RM'000)	Dato' Zulkifli Bin Adnan	-	-	-	4	Datuk Mak Foo Wei	-	-	-	4	Chong Chin Look	-	-	-	4	Choo Yem Kuen (Appointed on 16/12/2021)	-	-	-	-	Director	Fees (RM'000)	Salary (RM'000)	Bonus (RM'000)	Other Emoluments (RM'000)	Yap Tian Tion	225	148	18	-	Yap Kai Ning	120	148	15	2	Yap Kai Min *	20	34	-	13
Director	Fees (RM'000)	Salary (RM'000)	Bonus (RM'000)	Meeting Allowance (RM'000)																																											
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Datuk Mak Foo Wei	-	-	-	4																																											
Chong Chin Look	-	-	-	4																																											
Choo Yem Kuen (Appointed on 16/12/2021)	-	-	-	-																																											
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<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

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 7.2

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 Board is of the view that the disclosure of the top five (5) Senior Management's remuneration on named basis would have adverse effect on the Company's talent retention in the highly competitive industry.</p> <p>Premised on the security and confidentiality of the remuneration package of our Senior Management, the Board has adopted a disclosure of our Senior Management remuneration in bands of RM50,000 on an unnamed basis.</p> <p>The Board is also of the opinion that the disclosure of Senior Management's remuneration in bands on unnamed basis is sufficient as it complies with Malaysian Financial Reporting Standards. The disclosure of the remuneration paid to Senior Management analysed into the bands of RM50,000 is as below: -</p> <table border="1"> <thead> <tr> <th>Range of Remuneration</th> <th>No. of Senior Management</th> </tr> </thead> <tbody> <tr> <td>RM50,000 – RM100,000</td> <td>1</td> </tr> <tr> <td>RM100,000 – RM150,000</td> <td>1</td> </tr> </tbody> </table> <p>During the financial year under review, the RC had reviewed and assessed the remuneration package of the Senior Management, taking into consideration the skills and expertise.</p>	Range of Remuneration	No. of Senior Management	RM50,000 – RM100,000	1	RM100,000 – RM150,000	1
Range of Remuneration	No. of Senior Management							
RM50,000 – RM100,000	1							
RM100,000 – RM150,000	1							
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>								
Measure	:	It is the policy of the Company and the Group that all Senior Management are remunerated based on the Group's performance, market conditions and their responsibilities.						
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 7.3 - 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	:	

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 8.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The AC was established on 1 December 2020 with the primary objective to assist the Board in fulfilling its fiduciary responsibilities relating to corporate accounting, financial reporting, external audit and internal controls.</p> <p>The AC is chaired by Mr. Chong Chin Look, who is the member of Malaysian Institute of Certified Public Accountants ("MICPA") and Malaysian Institute of Accountants ("MIA").</p> <p>Meanwhile, the Chairman of the Board is Dato' Zulkifli Bin Adnan and therefore the Chairman of the Board and the Chairman of the AC are held by two (2) different Independent Non-Executive Directors.</p> <p>The Terms of Reference of the AC which deal with its duties and responsibilities is disclosed on the Company's website at http://www.cekd.com.my/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

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 8.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has the Terms of Reference of AC in place, which included a policy that requires a former key audit partner who was part of the engagement team who made key decisions or judgements on significant matters with respect of the audit of the financial statements of the Group, to observe a cooling-off period of at least two (2) years before being appointed as a member of the AC.</p> <p>The Terms of Reference of AC is accessible at http://www.cekd.com.my/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

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 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

Application	: Applied
Explanation on application of the practice	<p>The AC has been established and is responsible for reviewing the audit, recurring audit-related and non-audit services provided by the External Auditors.</p> <p>In assessing or determining the suitability, objectivity and independence of the External Auditors, the AC has taken into consideration of the followings: -</p> <ul style="list-style-type: none">i) independence of the External Audit firm;ii) the adequacy in terms of the competency, experience and quality of the External Auditors;iii) the External Auditors' resources capacity and ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the Audit Planning Memorandum; andiv) the nature and extent of the non-audit services rendered by the External Auditors and fees paid for such services. <p>AC shall review the terms of engagement for services provided by the External Auditors before tabled for the Board's approval. The External Auditors have also provided written assurance to the Board that they are, and have been, independent throughout the conduct of audit engagement during FYE 2021, in accordance with all applicable professional and regulatory requirements.</p> <p>The AC is able to communicate directly with the External Auditors without the presence of Executive Directors and the Management in seeking professional advice and discussing on audit findings and any related matters, when necessary.</p> <p>The AC has recommended the re-appointment of Messrs. Ecovis Malaysia PLT as External Auditors for the financial year ending 31 August 2022. The re-appointment of Messrs. Ecovis Malaysia PLT will be presented for shareholders' approval at the forthcoming 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 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The AC comprises three (3) Directors, which are exclusively made up of Independent Non-Executive Directors.</p> <p>The composition of AC can be found in the Corporate Governance Overview Statement and Audit Committee Report in the Annual Report 2021 of the Company.</p>

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 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate 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 Chairman and members of AC possess a wide range of necessary skills to discharge its duties and are financially literate and are able to understand matters under the purview of the AC, as well as the financial reporting process.</p> <p>Mr. Chong Chin Look, the Chairman of AC, is a member of MICPA and MIA and has been involved in accounting and financial functions for more than 30 years. The other members of the AC, Dato' Zulkifli Bin Adnan has been involved in foreign affairs for more than 30 years whilst Datuk Mak Foo Wei has been involved in the legal profession for more than 25 years. Subsequent to the financial year, the Company appointed Ms. Choo to replace Dato' Zulkifli, who ceased as member of the AC on 16 December 2021 concurrently. The qualification and experience of the individual members are disclosed in the Annual Report 2021.</p> <p>Although only one-third of the AC is a member of a professional accounting body, all AC members are financially literate by keeping themselves abreast of the relevant developments in accounting and auditing standards, practices and rules with continuous professional development and updates on the latest developments in new accounting and auditing standards, practices and rules by the Management and External Auditors.</p> <p>In addition, all Directors, except Ms. Choo, have attended Mandatory Accreditation Program ("MAP") to better understand their roles and responsibilities in order to drive both their individual and collective performance as required under the ACE Market Listing Requirements ("AMLR") (Rule 15.08 and Guidance Note 10). Ms. Choo, who was newly appointed Director on 16 December 2021, will be attending the MAP within four (4) months from the date of her appointment in accordance to AMLR.</p>

	Every year, the NC would review the terms of office and performance of the AC members to determine whether they have carried out their duties in accordance with their Terms of Reference.	
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 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by AC and RMC in reviewing and assessing the adequacy and effectiveness of the risk management and internal controls system in the Group.</p> <p>The Group's risk management and internal controls system is integrated into the Enterprise Risk Management Framework to provide overall guidelines and approach to the Group's risk management. By incorporating key process pertaining to the identification, analysis, responding, monitoring and reporting of the Group's risks, the framework enables the Group to identify, evaluate and mitigate any significant risk or arising structural weakness which may bring potential impact of achieving the business objectives. Any key risks assessed are reported to the RMC for discussion during the RMC meeting.</p> <p>A set of Standard Operating Procedures that covers various operational areas has also been implemented for a smooth proceeding in the Group's internal controls system. The internal audit function is also in place by appointing the outsourced Internal Auditors to review and evaluate the Group's risk management and internal controls systems regularly.</p> <p>For detailed information, kindly refer to the Statement of Risk Management and Internal Control in the Annual Report 2021.</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 9.2

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>In order to ensure that the Board make informed decision about the level of risk involved and implement necessary controls to pursue its objectives, the Board has undertaken the following features and process of the risk management and internal control framework: -</p> <ul style="list-style-type: none">i) identify the risks by sources to facilitate the determination of root cause;ii) assess and categorise the risks as low, medium or high based on its likelihood rating and risk impact rating;iii) formulate effective risk response strategies and plans;iv) monitor continuously that the risk response plans are operational and relevant; andv) review the risks periodically and ensure that the existing mitigation actions are adequate. <p>A set of Risk Register which documented the identified risks, relevant risk rating, mitigation plans/actions and the relevant key person in-charged was developed within the Group. The Risk Register shall be reviewed and updated periodically to ensure its relevance with the ever-changing business environment in which the Group operates.</p> <p>The details of the features on the system of risk management and internal controls within the Group are set out in the Statement on Risk Management and Internal Control of the Annual Report 2021 of the Company.</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 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 9.3 - 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 established a RMC, which comprises a majority of Independent Directors, as follows: -</p> <table border="1"><thead><tr><th>Position</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 (Appointed on 16/12/2021)</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 RMC are as follows: -</p> <ul style="list-style-type: none">i) to provide oversight, direction and counsel to the Group's risk management process;ii) to recommend for the Board's approval the Group's Risk Management Framework, policies, strategies, key risk indicators and risk tolerance levels and any proposed changes thereto; andiii) to evaluate the effectiveness of the risk management structure, processes and support system to identify, assess, monitor and manage the Group's key risks.	Position	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 (Appointed on 16/12/2021)	Independent Non-Executive Director	Member	Yap Kai Ning	Managing Director
Position	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 (Appointed on 16/12/2021)	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 10.1

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 authorised AC to review the effectiveness of the internal audit function.</p> <p>The Group's internal audit function is outsourced to a professional firm, Eco Asia Governance Advisory Sdn Bhd (formerly known as Eco Asia Advisory Sdn Bhd) to provide an independent and objective review on the overall adequacy of the Group's internal control system of the Group.</p> <p>The Internal Auditors, performed review processes according to the Internal Audit Plan which have been approved by the AC as to whether risks or weaknesses, which may hinder the Group from achieving its objectives, are being adequately evaluated, managed and controlled periodically. The AC has full and unrestricted access to all information and resources which are required to perform the internal audit function in assisting the Internal Auditors for an appropriate conduct of internal audit.</p> <p>The outsourced Internal Auditors report directly to the AC. The internal audit report was issued to the AC and tabled in the AC meetings. Areas of improvement in risks and internal controls have been identified and the implementation of action plans based on proposed recommendations shall subsequently be initiated within the stipulated time.</p> <p>Nevertheless, based on the internal audit report for FYE 2021, the Board is satisfied that there are no significant weaknesses in the internal control system that may have a material impact and would require disclosure in the Annual Report 2021.</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 10.2

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>The Group has outsourced the internal audit function to a professional firm, Eco Asia Governance Advisory Sdn Bhd for the FYE 2021. The internal audit engagement team is led by the Executive Director, Mr. Woon Soon Fai, an associate member of IIA Malaysia, Chartered Accountant Malaysia, member of MIA and Association of Chartered Certified Accountants. He has vast experience and exposure in the internal audit field. He was assisted by two (2) staffs in the internal audit reviews conducted in FYE 2021.</p> <p>The Internal Auditor engagement team is free from any relationships or conflicts of interest with the Group. They are able to perform internal audit objectively, independently, proficiently and with due professional care.</p> <p>The internal audit reviews were conducted in accordance with the International Professional Practices Framework.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>To provide a clear and complete picture of the Group's business and corporate developments, the Board is committed to ensure that there is effective, transparent and regular communication with its stakeholders through a variety of communication channels as follows: -</p> <ul style="list-style-type: none">i) <u>Email and face-to-face communications</u> Email and face-to-face communications are the main communication channel in our day-to-day operations with various customers and suppliers.ii) <u>Company corporate website</u> The Company's corporate website provides a myriad of relevant information such as corporate profile, products and investor relation on our Group and is accessible by the public.iii) <u>Announcements made to Bursa Securities</u> Shareholders and investors can obtain our Group's latest announcements such as material information, updates and periodic financial reports in the dedicated website of Bursa Securities at www.bursamalaysia.com.iv) <u>Annual Report</u> The Annual Report to the shareholders remains the central means of communicating the Group's business overview, financial performance, corporate governance, sustainability measures as well as prospects of the Group.v) <u>AGM</u> The AGM is used as the main forum of dialogue for shareholders to make known their views and raise any matters of concern pertaining to the Group. The stakeholders will be given the opportunity to speak and seek clarifications during the AGM for effective and transparent communications. <p>The Management shall ensure all information disclosed remains succinct, current, relevant and accurate.</p>

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

Intended Outcome

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

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

Practice 11.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company does not fall within the definition of Large Companies as defined in the MCCG 2017.	
<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 12.1

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>In line with good corporate practice, the Notice of AGM will be emailed or despatched (for those without email address) to registered shareholders at least twenty-eight (28) days prior to the first AGM. This shall ensure the shareholders to have adequate time to peruse the Annual Report and consider the resolutions that will be discussed and decided during the AGM so as to facilitate the shareholders to make informed decision in exercising their voting rights.</p> <p>The Group's forthcoming AGM is scheduled on 22 February 2022, the Notice of AGM will be issued on 30 December 2021. In addition, the notice of publication of the Annual Report and the notice of the forthcoming AGM will be published on the Company's website and Bursa Securities for shareholders' attention.</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 12.2

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 tentative date of the AGM are discussed and confirmed by the Board in advance to ensure that the Directors have sufficient time to make necessary arrangement to attend the planned AGM.</p> <p>Barring unforeseen circumstances, the Board will ensure that all Board members, particularly the chairperson of each Board Committee will make their endeavours to attend the AGM to facilitate the engagement with shareholders and readily available to provide meaningful response in addressing any relevant questions and concerns raised by the shareholders</p> <p>The External Auditors will also be invited to attend the AGM to respond to any queries raised by shareholders relevant to the conduct of audit and financial statements of the Group, if any.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

Application	:	Applied
Explanation on application of the practice	:	<p>In view of the Covid-19 pandemic which has yet to be eradicated and as part of the Company's precautionary measures and initiatives, the Company had opted to convene its AGM virtually through live streaming from the broadcast venue and online remote voting using the Remote Participation and Voting Facilities. This allows shareholders to attend, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the AGM of the Company.</p> <p>At the AGM, a summary review of the progress and concise overview of the Group's activities will be presented. Shareholders will be given opportunity to raise questions pertaining to the operations, financial and business progress and any other matters related to the agenda of the AGM and participate in the question-and-answer session.</p> <p>Detailed procedures for the registration and participation at the forthcoming AGM of the Company are set out in the "Administrative Guide for the AGM" provided to the shareholders.</p> <p>In line with the AMLR of Bursa Securities, all resolutions set out in the Notice of AGM will be carried out by poll voting. The shareholders will be briefed on the e-polling voting procedures by the appointed Poll Administrator to conduct the polling process and an independent scrutineer will be appointed to verify the poll results. The poll results of the AGM with details on the number of votes cast for and against for each resolution and the respective percentage will be announced on the same day to Bursa Securities. The minutes of the AGM will also be made available on the Company's website after it has been confirmed and signed by the Chairman of the 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	:		

**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.

Not Applicable
