

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5311
COMPANY NAME : CAPE EMS BERHAD
FINANCIAL YEAR : December 31, 2022

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 ("Board") of CAPE EMS Berhad ("CAPE" or "the Company") is collectively responsible and accountable for the strategic, direction, leadership, governance and performance of the Company and its subsidiaries (collectively known as "the Group"). The Board also play as an oversight role on the development and approval of, and update made on CAPE's vision, mission and value statement, policies and goals related to economic, environmental and social impacts in order to create long-term success of Company as well as the delivery of sustainable value to its stakeholders.</p> <p>The duties, power and functions of the Board are governed by the Company's Constitution, the Companies Act 2016, Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and other regulatory guidelines and requirements that are in force from time to time.</p> <p>The Board should, among others: -</p> <ul style="list-style-type: none">(i) exercise due 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>In discharging the roles and responsibilities effectively, the Board is guided by the Board Charter, which outlines the duties and responsibilities of the Board, as well as the matters that the Board delegated specific powers and responsibilities to the Managing Director/Group Chief Executive Officer ("MD/GCEO"), Executive Directors, Non-Executive Directors, Senior Independent Director and relevant Board committees comprising the Audit Committee ("AC"), the Nominating Committee ("NC"), the Remuneration Committee ("RC") and the Sustainability and Risk Management</p>

	<p>Committee (“SRMC”) (collectively, “Board Committees”). The Board Committees are guided by clearly established terms of reference (“TOR”) of the respective Board Committees which sets out their authority and duties.</p> <p>Details of the roles and principal responsibilities of the Board are specified in Paragraph 4 of the Board Charter which is available on the Company’s website at www.cape-group.com.my.</p> <p>The Board plays a pivotal role in reviewing the Company’s strategic direction and approving corporate strategic initiatives developed by the Management. The MD/GCEO together with Executive Directors and Management are the pillars to support and assist the Board in discharging their duties and responsibilities. The MD/GCEO is responsible for the day-to-day business and operations of the Group with the support from the Management team.</p> <p>During each Board meeting, the Directors undertake the following activities:-</p> <ul style="list-style-type: none"> (a) To develop the Company’s strategy and monitor the performance and implementation; (b) To assess the Company’s performance on a quarterly basis; (c) To review quarterly financial results and announcements; (d) To provide constructive feedback and guidance on areas which should be improved; and (e) To review and follow-up on issues raised at each meeting to ensure that suggested action items and solutions have been implemented. <p>Whilst the Board Committees are entrusted with the responsibility to oversee specific aspects of the Company’s affairs in accordance with their respective terms of reference as approved by the Board and to report to the Board on their findings and recommendations, the Board has delegated certain responsibilities to the Executive Directors. The Chairman of the respective Board Committees reports to the Board on key matters deliberated at the respective Board Committee meetings and makes recommendations to the Board for final decision, where necessary.</p> <p>Nevertheless, the Board remains ultimately responsible for corporate governance and the affairs of the Company. While at all times, the Board retains full responsibility for guiding and monitoring the Company, in discharging its responsibilities.</p>
<p>Explanation for departure</p>	<p>:</p>

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 1.2

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 of CAPE is led by Datuk Mohd Rabin Bin Basir, who is an Independent Non-Executive Chairman appointed on 5 May 2022. His main responsibility is to lead and manage the work of the Board in order to ensure that it operates effectively and fully discharge its role and regulatory responsibilities. He serves as the main liaison person between the Board and the Management. He also chairs the meetings of the Board and the shareholders in the annual general meeting.</p> <p>The Chairman of CAPE is responsible for instilling good corporate governance practices, providing leadership for the Board and ensuring the effective functioning of the Board. In fulfilling his role, the primary responsibilities undertaken by the Chairman include, amongst others, are as follows:-</p> <ul style="list-style-type: none">• leading the Board in the oversight of management;• be a spokesperson for the Company i.e. representing the Board to shareholders and chairing general meeting of shareholders;• setting the board agenda and ensuring the provision of accurate, timely, complete and clear information to Directors;• leading and chairing board meetings and discussions;• ensuring appropriate steps are taken to provide effective communication with shareholders and relevant stakeholders and their views are communicated to the Board as a whole;• encouraging active participation and allowing dissenting views to be freely expressed;• managing the interface between Board and Management;• leading the Board in establishing and monitoring good corporate governance practices in the Company;• ensuring the integrity of the governance process and issues; maintaining regular dialogue with the MD/GCEO over all operational matters and consulting with the remainder of the Board promptly over any matters that gives him/her cause for major concern;• functioning as a facilitator at meetings of the Board to ensure that no member, whether executive or non-executive, dominates discussion, that appropriate discussions take place and that relevant opinions among members is forthcoming. The Chairman will ensure that discussions result in logical and understandable outcomes; and

	<ul style="list-style-type: none"> ensuring that all Directors are enabled and encouraged to participate in its activities. This includes ensuring that all relevant issues are on the agenda and that all Directors receive timely, relevant information and that they are properly briefed on issues arising at Board meetings. <p>The roles and responsibilities of the Chairman of the Board is clearly specified in Paragraph 7 of the Board Charter, which is available on the Company's website at www.cape-group.com.my.</p> <p>During the financial year under review, the Chairman, in consultation with MD/GCEO and Company Secretaries, has set the agenda for Board meetings and ensured that all relevant issues are on the agenda.</p>	
Explanation for departure	:	
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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 Board recognises the importance of exercising objective oversight over Management in order to safeguard the interest of the Company and its stakeholders. Stemming from this, the Board aims to ensure that there is an appropriate balance of power and authority in the Company to prevent any individual from dominating deliberations and the decision-making process.</p> <p>The Board Charter has clearly set out the roles, responsibilities and power of the Chairman and the MD/GCEO of the Company. The distinct and separate roles and responsibilities of the Chairman and the MD/GCEO set out in Paragraphs 7 and 8 respectively in the Board Charter, which is available on the Company's website at www.cape-group.com.my.</p> <p>The positions of the Chairman of the Board and the MD/GCEO of the Company are held by two different individuals to ensure a balance of power and authority, such that no one individual has unfettered decision-making powers. The position of Chairman is held by Datuk Mohd Rabin Bin Basir whilst the position of MD/GCEO is held by Ms. Tee Kim Chin.</p> <p>The Chairman is primarily responsible for the stewardship and smooth functioning of the Board, i.e. ensuring the Board effectively discharges its leadership, control roles and assists the Board fulfils the Company's goals. The Chairman also acts as liaison between the Board and Management, carries out other duties as requested by the Board as a whole, depending on the needs and circumstances.</p> <p>The MD/GCEO is primarily responsible for overseeing and managing day-to-day business operations of the Group, implementing the Group's business plan, policies and strategies adopted by the Board as well as building a dynamic corporate culture with the requisite skills and competency. The MD/GCEO is also responsible for developing and recommending the Board the budgets of the Group that support the Group's long-term vision and strategy. The MD/GCEO is also formulating and monitoring the implementation of major corporate policies as well as ensuring that policies and procedures, are established, implemented, maintained and reviewed regularly.</p>
Explanation for departure	:	

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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 Company was in compliance with Practice 1.4 of the Malaysian Code on Corporate Governance issued by Securities Commission Malaysia on 28 April 2021 ("MCCG"), whereby the Chairman of the Board, Datuk Mohd Rabin Bin Basir is not a member of any of the Board Committees of the Company, namely AC, NC, RC and SRMC since his appointment to the Board as an Independent Non-Executive Chairman on 5 May 2022.</p> <p>Thus, the Chairman of the Board of the Company did not participate in any of these Board Committees' meetings as to ensure there is a better check and balance as well as objective review by the board on all matters recommended by the Board Committees.</p>
Explanation for departure	:	
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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 currently supported by two (2) suitably qualified and competent company secretaries, namely Ms. Teo Soon Mei (MAICSA 7018590 & SSM Practicing Certificate No. 201908000235) ("Ms. Teo") and Ms. Lim Jia Huey (MAICSA 7073258 & SSM Practicing Certificate No. 201908000929) ("Ms. Lim"), who have fulfilled the requisite credentials and are qualified under Section 235(2) of the Companies Act 2016 ("CA 2016"), registered with the Companies Commission of Malaysia under Section 241 of the CA 2016 and both are issued with practising certificate by the Registrar of Companies.</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 Malaysia") and holds a Master of Corporate Governance with more than 25 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 of 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 ten (10) years of experience in handling corporate secretarial matters, with practical knowledge in various industries. Currently, Ms. Lim is also the company secretary of several other listed companies in Malaysia.</p> <p>The company secretaries play an essential advisory role to the Board in relation to the Company's administrative, governance and meeting proceedings. They are primarily responsible to ensure that the Company and the Group complies to all applicable legal and corporate governance standards.</p> <p>The Company Secretaries are guided by Paragraph 13.3 of the Board Charter to discharge their roles and duties as follows: -</p> <ul style="list-style-type: none">(i) ensuring that Board procedures and applicable rules are observed;(ii) facilitating the orientation of new Directors and assisting in directors' training and development;

	<ul style="list-style-type: none"> (iii) maintaining records of the Board and Board Committees and their respective meetings and ensuring effective management of the Company's records; (iv) managing all Board and Board Committees meeting logistics, attending and preparing comprehensive minutes to document Board and Board Committee proceedings and ensure conclusions are accurately recorded; (v) advising the Board on corporate disclosures and compliance with the Company's constitution, the CA 2016, Malaysian Code on Corporate Governance, securities regulations and Listing Requirements; (vi) managing processes pertaining to the annual shareholder meeting; (vii) monitoring corporate governance development and assisting the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; (viii) serve as a focal point for stakeholders' communication and engagement on corporate governance issues; (ix) ensuring timely dissemination of information relevant to Directors' roles and functions and keeping them updated on new or evolving regulatory requirements; (x) advising the Board on its roles and responsibilities; (xi) carrying out other functions as deemed appropriate by the Board from time to time; and (xii) undertake the statutory duties as prescribed under the CA 2016 and the Listing Requirements. <p>The Company Secretaries had and will continue to keep themselves abreast with the latest regulatory and corporate governance developments through continuous training and industry updates. They have also attended various relevant continuous professional development throughout the financial year ended 31 December 2022 ("FYE 2022").</p> <p>During FYE 2022 and up to the date of this Report ("Review Period"), the Company Secretaries attended all the Board and Board Committee meetings and also ensure the meeting procedures are in order including disseminating complete and accurate meeting materials in a timely manner. In addition, the Company Secretaries provided sound governance advice, update and guidance to the Board and Management in order to ensure adherence to rules and procedures and advocate of corporate governance best practices.</p> <p>The Board is satisfied with the service and level of support rendered by the Company Secretaries to the Board in the discharge of the Board's functions in FYE 2022.</p>
Explanation for departure	:

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Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has adopted a Board Charter on 1 April 2022 and further revised the Board Charter on 1 August 2022, 24 August 2022 and 15 March 2023 respectively, which outlines the relevant provisions governing Board meeting procedures, agenda, meeting papers, access to information and independent professional advice under Paragraph 16 of the Board Charter, which is available on the Company's website at www.cape-group.com.my.</p> <p>Regular Board and Board Committee meetings are scheduled throughout the year to enable the Directors to plan ahead and fit the meetings into their own schedules. To assist the Directors in planning their attendance, the Company Secretaries consult every Directors on their availability before fixing the dates of these meetings. An annual tentative calendar was circulated in 29 December 2022 and tabled to the Board for the scheduling of the Board or Board Committee meetings and Annual General Meeting for the forthcoming year. In FYE 2022, a total of four (4) Board meetings were held with almost all Board members attended the meetings.</p> <p>The Company Secretaries, in consultation with the Board and Board Committee Chairman identified the annual Board and Board Committee meeting agenda. Additional agenda item will be included from time to time at the request of the Chairman, the Board or the Management of the Company.</p> <p>The notice of meeting was circulated at least five (5) business days prior to the scheduled meeting along with the meeting materials were disseminated to the Directors digitally to enable the Board to review the meeting materials and obtain additional information or clarification prior to the meeting as well as facilitate informed decision making.</p> <p>The Board has unrestricted and timely access to all information of the Group and advisory from the Company Secretaries that necessary in furtherance of their duties, whether as a full Board or in their individual capacity, to assist them in the decision-making process. The Directors may interact directly with the Management, or request further explanation, information or updates on any aspect of the Company's operation or business concerns on or</p>

	<p>prior to the meetings. The Directors may also seek and engage independent professional for advice on specific issues at the Company's expense, in order to enable them to discharge their duties with the benefit of all available knowledge and resources, where necessary.</p> <p>All matters raised, discussions, deliberations, decisions and conclusions made during the Board meetings will be properly documented by the Company Secretaries and reviewed by the Board for completeness and accuracy in a timely manner, thereafter to confirm at the following meeting. Minutes and Resolutions signed by the Chairman as a correct record of the proceedings.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted a Board Charter on 1 April 2022 and further revised the Board Charter on 1 August 2022, 24 August 2022 and 15 March 2023 respectively which articulates the respective roles and responsibilities of the Board, Board Committees, Chairman, Executive Directors, Non-Executive Directors, Senior Independent Director, 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 serves as a guide and reference and a primary induction literature provided insights to prospective and existing Board members of their fiduciary duties as directors of the Company and the functions of the Board Committees of the Company. It also set out amongst other things, the vision, mission, policies and ethos of the Group.</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, Board Committees, Chairman, Executive Directors, Non-Executive Directors, Senior Independent Director, 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>The Board Charter clearly outlined the roles and responsibilities of the Board of Directors, the Chairman and the MD/GCEO and also embedded the Board composition, diversity policy, Directors' appointment process, Code of Conduct and Ethics for Directors and Employees ("Code") as well as the Directors' training requirements.</p>

	<p>The Board has conducted annual review of the Board Charter to ensure that the Board Charter of the Company is kept up to date and consistent with the Board’s objectives and responsibilities.</p> <p>The Board Charter would be reviewed and updated periodically as and when necessary to ensure its appropriateness and relevance to the needs of the Company from time to time and its compliance with the regulatory and legal requirements that may have impact on the discharge of the Board’s responsibilities.</p> <p>The Board Charter is accessible at www.cape-group.com.my.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had on 1 April 2022 adopted the Code that is applicable for all Directors and employees of the Group. The Code sets out the general principles and standards of business conduct and ethical behaviour for the Directors and employees of the Group in the performance and exercise of their responsibilities as Directors and employees of the Group or when representing the Group and includes the expectation of professionalism and trustworthiness from the Directors and employees. The Group's contractors, sub-contractors, consultants, agents, representatives and any other parties performing work or services for or on behalf of the Group shall observe and comply with the Code and the Anti-Bribery and Corruption Policy ("ABC Policy") when performing such work or services.</p> <p>The Code covers among others, all aspects affecting the Group's business operations, such as compliance with law, safety in working environment, professionalism, integrity, care for physical environment, trust and credibility, cultural and workplace harmony, avoid conflicts of interest, ensure financial integrity and responsibility, insider trading information and securities trading, bribery, corruption and money laundering.</p> <p>Directors are expected to conduct themselves with the highest ethical standards, to behave ethically and professionally at all times to promote and protect reputation and performance of the Group. Whilst the employees of the Group shall understand the acceptable behaviours and expected to uphold the ethical behaviour in workplace and when representing the Company for business dealings with external parties. To ensure compliance of the Code and safeguard for the Company, all the Directors and employees of the Group are required to read, understand and make declaration to adhering and observing the provisions in the Code annually.</p> <p>Besides, Directors are required to declare their respective interest in the shares of the Company and related companies and their</p>

	<p>interests in contracts or proposed contracts with the Company or any of its related companies. If there is any exist, the interested Directors shall abstain from deliberating and voting in relation to related party transactions and subject for review and deliberation at the AC Meeting.</p> <p>The Code will be reviewed and updated periodically, where necessary to ensure that it continues to remain relevant and appropriate.</p> <p>In compliance with the amendments of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and guided by the principles of the Ministerial Guidelines and Paragraph 15.29 of MMLR of Bursa Securities in relation to the anti-bribery, the Company has also established and implemented the ABC Policy on 1 April 2022 and further revised on 15 March 2023 respectively where the Board has committed to a zero-tolerance policy on corruption and compliance with the relevant laws and regulation, With this, the ABC Policy governs the prevention of corruption and unethical practices within the Company and promote integrity and ethical conduct or behaviour in all aspects of the Company’s operation. The channel for reporting of unlawful or unethical behaviour is available through the Anti-Money Laundering Policy (“AML Policy”) and Whistle-blowing Policy (“WB Policy”) of the Group.</p> <p>A copy of the Code, AML Policy and WB Policy are accessible at www.cape-group.com.my.</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 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company is committed to the highest standards of professionalism, honesty, integrity and ethical behaviour in the conduct of its business and operations. With this, the WB Policy has been formulated which applicable to provide an avenue for all employees of the Group ("Employees"), Directors of the Group and members of the public to voice or raise genuine concerns responsibly and appropriately.</p> <p>This Policy is designed to:-</p> <ul style="list-style-type: none">(a) promote and maintain high transparency and accountability in the workplace;(b) promote good corporate governance practices in the workplace;(c) ensure that Employees can raise concerns without fear of reprisals and safeguard such person's confidentiality;(d) protect a whistle-blower from reprisal as a consequence of making a disclosure;(e) provide a transparent and confidential process for dealing with concerns;(f) protect the long-term reputation of the Group;(g) support the Company and the Group's values; and(h) maintain a healthy working culture and an efficient corporation. <p>In the event if there is a reasonable belief or suspicion of any malpractice or misconduct within the Group, the whistle-blower is advised to make report to the identified persons and/or methods as follows:-</p> <ul style="list-style-type: none">(a) <u>For Employees to make Complaints</u><ul style="list-style-type: none">• immediate supervisor• member or Chairperson of the AC of the Company;• senior independent director of the Company (usually for Complaints relating to directors and other senior management positions).• head of internal audit department of the Group or the head of the appointed internal audit consultant team (if

	<p>the internal audit function of the Group is outsourced); and</p> <ul style="list-style-type: none"> head of a dedicated department that handles investigations of misconduct or any other related matters and has a direct reporting line to the AC or senior independent director of the Company. <p>(b) <u>For stakeholders to make Complaints</u></p> <ul style="list-style-type: none"> submit Complaints in writing, orally or via electronic mail to the Chairman of the AC via mailing in a properly sealed envelope or written mail or email to the Chairman of AC at whistleblowing@cape.com.my <p>Upon receiving written complaint or allegation of misconduct, AC shall set up an investigation team for investigation. Such investigation process shall be conducted in a confidential, fair and impartial manner.</p> <p>In accordance with the Whistle-blower Protection Act 2010, all whistle-blowers who report in good faith shall be protected and not to be at the risk of any kind of reprisal, threat, harassment, retribution, or victimisation (“detrimental action”) due to their disclosure. Any detrimental action against the genuine whistle-blower, which if proven, is a serious breach of the Whistle-blowing Policy and shall be subject to disciplinary action, which may lead to suspension without pay or dismissal, as the case may be.</p> <p>Based on the WB Policy, the Board shall review and assess the relevance and effectiveness of this Policy, as and when necessary, the Board deemed necessary and/or required to ensure its relevance and effectiveness in keeping with the Group’s changing business environment, administrative or operational needs as well as changes to legislation. In any event, the Board shall review this Policy at least once every three (3) years.</p> <p>The Whistleblowing Policy is accessible on the Company’s website at www.cape-group.com.my. During FYE 2022, the Group has not received any report made by any whistle-blower.</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 4.1

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 together with the Management acknowledge their responsibility for promoting sustainability in areas covering health, safety and environment as well as social and governance and ensure that sustainability is integrated into the strategic direction of the Group and its operation.</p> <p>During FYE 2022, Dr. Loi Kheng Min ("Dr. Loi") was appointed and responsible for the implementation of sustainability initiatives and the day-to-day management of sustainability matters in the business operations of the Group. Dr. Loi has worked together with MD/GCEO in setting implementation plans and targets for identified sustainability matters, and report to the SRMC.</p> <p>Dr. Loi presented to the SRMC and the Board at its meeting all held on 28 February 2023, the internal practices to formulate a sustainable strategy of the Group. The MD/GCEO together with the Executive Directors and Dr. Loi are entrusted by the Board to assist the Board to overseeing the formulation, implementation and effective management of the Group's sustainability strategies and obtaining the Board's approval on these matters.</p> <p>The MD/GCEO will lead the management of the Company to review the business operation of the Group to further strengthen the sustainability framework within the organisation. The management will present an action plan to the Board to ensure the strategic plan for the Group supports long terms value creation and sustainability goals.</p> <p>In order to address the Group's sustainability risks and opportunities, the SRMC and the Board will carry out an annual sustainability matters assessment, which enabled the Group to identify, assess and prioritise the risks and opportunities within the environmental, social and governance ("ESG") context.</p>

	<p>The Board has established a Sustainability Policy which guides how they do business in the Company and its subsidiaries (“Group”). The Sustainability Policy aims to set out broad policies on ESG to guide the Group’s strategies, policies, and procedures. The implementation of the Sustainability Policy across the Group’s business and operations is the responsibility of the Senior Management, and the Board shall oversee this.</p> <p>The management of sustainability-related risks and opportunities is incorporated into the Group’s risk management processes, and this is overseen by the SRMC. In carrying out its responsibilities to oversee the identification and assessment of risks facing the business, the SRMC also considers sustainability matters including health and safety, data governance and privacy, and climate-related risks.</p> <p>The SRMC assists the Board in overseeing the Group’s management of key sustainability matters, reviewing and highlighting key sustainability performance, progress, and challenges to the Board. On the other hand, the Senior Management, led by the Group Chief Executive Officer, is mainly responsible to implement the strategies approved by the Board and drive performance, including in the aspects of sustainability. Senior Management is also responsible for effectively engaging with stakeholders such as employees, customers, regulators, and suppliers to effectively communicate sustainability matters</p> <p>Through the risk management process where risks, including ESG risks, are identified and assessed, sustainability matters are prioritised to enable effective resource allocation to address these matters, including making investment decisions to pursue sustainability opportunities and establishing controls to manage sustainability risks. During FYE 2022, the Group has identified sustainability matters which are deemed to be important to the Company’s business, operations, and stakeholders, i.e. Material Sustainability Matters. This process also contributed to the development of the Sustainability Policy.</p> <p>Matters identified as material to the Group can be categorised into the following broad sustainability topics:</p> <ul style="list-style-type: none"> • Ethical business practices; • Data privacy and security; • Healthy, safe, secure, and conducive workplace; • Equal employment opportunity and non-discrimination; • Human rights and labour practices; • Responsible energy and resource management; • Carbon reduction; and • Contribution to the community. <p>The Group is carrying out a review of its process for the identification and assessment of sustainability matters, with an aim to streamline and integrate sustainability considerations in the business’ short, medium, and long-term value creation</p>
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	<p>The Group has performed the assessments on Sustainability issues, the Board is of the opinion that the current integration, practices and disclosures can be further improved upon.</p> <p>The Group's sustainability strategies and efforts in addressing the material risks and opportunities are illustrated in the Sustainability Statement 2022 within the Annual Report.</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 4.2

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 is cognisant of having regular engagement with both internal and external stakeholders when formulating the Group sustainability strategies, priorities, targets. Such communications enabled the Board to gain a better understanding of the needs and expectations of the stakeholders so as to facilitate the strategic planning process.</p> <p>Upon strategising the Group's sustainability strategies and targets, such strategies and targets are communicated across to all employees by our respective Head of Departments. The Company has also reported the Group's stakeholders' engagements, sustainability matters assessment, sustainability strategies, targets as well as performance in the Sustainability Statement 2022 within the Annual Report.</p> <p>Based on the assessment of the internal key stakeholders, a total of eight (8) key areas were identified considering the impacts towards the Group and stakeholders as depicted in the material sustainability matters covered:</p> <ul style="list-style-type: none">a) Ethical business practices,b) Data privacy and security, Healthy, safe, secure and conducive workplacec) Equal employment opportunity and non-discrimination,d) Human rights and labour practices,e) Responsible energy and resource management,f) carbon reduction and contribution to the community. <p>The Company views stakeholders' engagement as an integral aspect in our sustainability commitments as it is crucial in terms of building relationships and trust to implement corporate sustainability strategies and program. Stakeholders' feedback is valuable for our continuous improvement on sustainability measuring and reporting standard. The Group is encouraging all stakeholders to provide their feedback and comment to the Group.</p> <p>The Group's sustainable value creation in the short, medium, and long term is closely related to the Group's stakeholders. In order to align the interest as well as minimise the differences in interest between the Group and its stakeholders, the Group has various established engagement channels or approaches that facilitate communication with different stakeholder groups. During FYE</p>

	<p>2022, the Group has identified eight (8) stakeholder group and the respective key engagement approaches. These channels may help us develop business opportunities and understand how the Group can build better relationships with stakeholders, and they can also help us identify areas where we could improve our operations, products, or services.</p> <p>Detailed description of the Company's stakeholder groups, engagements approaches and targets areas in relation to the sustainability management are as set out in the Company's Sustainability Statement in this Annual Report</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board endeavours to keep abreast of sustainability issues which are relevant to the Group business and operations through periodical updates by the Management as well as training programmes attended by them respectively. During FYE 2022, the Board received updated from Management during Board meetings on the Company's sustainability initiatives and progress from time to time.</p> <p>In order to stay abreast with the latest sustainability trend and issues, the Board members and Management team will attend the necessary training courses, as and when deemed appropriate, to equip themselves and enhancing their ESG competency in order to address and provide guidance on the sustainability related matters. During FYE 2022, the Directors and Management attended ISO 37001 :2016 ABMS & MACC Act Section 17A Awareness Training Course.</p> <p>The Board together with the NC will from time to time identify more programmes and provide update to the Board and the Management regarding the various international standards and best practices to address sustainability risks and opportunities.</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 promote the Board's accountability towards the Group's sustainability management, NC has included the governance of sustainability as an additional performance evaluation criterion for the Board in FYE 2022 by setting sustainability-related questionnaire in the annual peer and self-assessment form.</p> <p>Such criteria encompass several considerations surrounding sustainability management, including the performance of the Board and Senior Management to oversee and support the implementation of sustainability strategies within ESG context, development of sustainability program, monitoring of sustainability, as well as knowledge in relation to the sustainability risks and opportunities that the Group exposes to.</p> <p>Having considered the NC's evaluation, the Board is satisfied that the Directors and senior management possess the necessary skills and expertise and have sufficiently discharged their duties and responsibilities efficiently in addressing the Group's material sustainability risks and opportunities during FYE 2022.</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.

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter sets out that the NC of the Company is responsible to assist the Board in the development and implementation of the policies on the nomination and appointment of Directors to achieve long-term sustainability of the Group in accordance with the TOR of the NC.</p> <p>In this respect, the NC oversees the overall composition of the Board must include the right group of people, with an appropriate mix of skills, knowledge, experience and independence elements that fit the Company's objectives and strategic goals.</p> <p>Prior to the establishment of NC, the Board was collectively responsible to evaluate the retirement and re-election of Directors. In accordance with Clause 84.1 of the Company's Constitution, one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) are to retire by rotation at the annual general meeting, provided that all the Directors shall retire from office once at least three (3) but shall be eligible for re-election. During the financial year under review, the following Directors were retired and re-elected to the Board at the 2022 Annual General Meeting ("AGM") held on 23 June 2022:-</p> <p>(a) Ms. Tee Kim Chin was retired pursuant to Clause 84.1 of the Company's Constitution; and</p> <p>(b) Ms. Tee Kim Yok, Datuk Mohd Rabin Bin Basir, Ms. Lim Chue Wan, Mr. Geoffrey Ng Ching Fung, Ms. Tan Sik Hui, Mr. Yau Yin Wee, Mr. Chen Kok Seng and Mr. Koh Beng San, the newly appointed Directors during the FYE 2022 were retired pursuant to Clause 91 of the Company's Constitution.</p> <p>During the Review Period, the board evaluation for the FYE 2022 has completed and tabled for NC' deliberation on 28 February 2023 and therefore, NC is satisfied that the current Board possessed the right mix and composition to grow the business while protecting shareholders' and other stakeholders' interests.</p> <p>The NC had also reviewed the tenure of each Director and recommended to Board for re-election of the following Directors of the Company who are due for retirement at the forthcoming 2023</p>

	<p>Annual General Meeting of the Company scheduled to be held on 27 June 2023 pursuant to Clause 84.1 of the Constitution of the Company:</p> <p>(a) Mr. Alex Miranda Juntado; (b) Ms. Tee Kim Yok; and. (c) Ms. Lim Chue Wan.</p> <p>The NC had agreed on the re-election processes as summarised below:-</p> <p>(a) The optimum size of the Board, mix of skills or experience and diversity in terms of gender where the Company has achieved more than 4% women representation in the Board</p> <p>(b) The NC shall from time to time to identify the selection criteria for the new directors with the view to close the gap and to strengthen the Board composition with reference to the strategic direction of the Company.</p> <p>Based on the outcome of the assessment reviewed by NC, the NC was satisfied that the aforesaid three (3) Directors had contributed effectively to the Board's deliberation as well as demonstrated their diligence and commitment. Upon recommendation by the NC, the Board resolved and approved to propose the re-election of the aforesaid three (3) Directors for shareholders' approval at the forthcoming 2023 AGM 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	:	

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>During FYE 2022, the Board has appointed Mr. Geoffrey Ng Ching Fung as Non-Independent Non-Executive Director on 14 January 2022 and the following additional Independent Non-Executive Director (“INED”), including one (1) is Senior INED on 5 May 2022:-</p> <ul style="list-style-type: none">(i) Datuk Mohd Rabin Bin Basir;(ii) Tan Sik Hui;(iii) Yau Yin Wee;(iv) Koh Beng San; and(v) Chen Kok Seng. <p>On 11 August 2022, Mr. Geoffrey Ng Ching Fung resigned as the Director of the Company.</p> <p>Upon the appointment of the additional INEDs, the current Board comprises of nine (9) members with a majority of five (5) INEDs. The current Board composition is in line with the MCGG’s recommendation to have at least half of the Board to comprise INEDs as well as complied with the Paragraph 15.02 of the MMLR of Bursa Securities, of having at least two (2) or one-third of the Board are independent directors.</p> <p>The INEDs, Senior INED and the Independent Non-Executive Chairman who form a majority of the Board size, make a positive contribution and development of the Company’s strategy and policies through their independent, constructive and informed judgement.</p> <p>The role of NC is to assess the independence of the independent directors on annual basis to ensure the independent directors are independent, can exercise objective judgement and able to act in the best interest of the Company, the Group, shareholders and other stakeholders.</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

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>The tenure of INEDs of the Company are as follows and none of the INEDs of the Company has served the Company beyond nine (9) years:</p> <table><tr><th>Name</th><th>Date of first appointed to the Board</th><th>Tenure as at 31.12.2022 (years/ months)</th></tr><tr><td>Datuk Mohd Rabin Bin Basir</td><td>5 May 2022</td><td>7 months</td></tr><tr><td>Tan Sik Hui</td><td>5 May 2022</td><td>7 months</td></tr><tr><td>Yau Yin Wee</td><td>5 May 2022</td><td>7 months</td></tr><tr><td>Koh Beng San</td><td>5 May 2022</td><td>7 months</td></tr><tr><td>Chen Kok Seng</td><td>5 May 2022</td><td>7 months</td></tr></table> <p>The Board Charter has clearly stated that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years since appointment as Independent Director. According to Paragraph 6.1.6 of the Board Charter, the Independent Director may continue to serve on the Board beyond the nine (9)-year tenure provided the Independent Director is re-designated as a Non-Independent Director.</p> <p>Where the Board is of the view that the Independent Director can continue beyond the nine (9)-year tenure, it must justify and seek shareholders' approval annually in a general meeting and the findings from review of the Board should be disclosed to the shareholders for them to make an informed decision. Where the Board proposes to re-appoint Independent Director beyond the nine (9)-year tenure, the Board has sought and obtained approval from shareholders annually in a general meeting through a two (2) tier voting process, where under Tier 1 shall require the vote(s) from the Large Shareholder(s) only whilst Tier 2 shall require the votes from the remaining shareholders other than the Large Shareholder(s).</p>	Name	Date of first appointed to the Board	Tenure as at 31.12.2022 (years/ months)	Datuk Mohd Rabin Bin Basir	5 May 2022	7 months	Tan Sik Hui	5 May 2022	7 months	Yau Yin Wee	5 May 2022	7 months	Koh Beng San	5 May 2022	7 months	Chen Kok Seng	5 May 2022	7 months
Name	Date of first appointed to the Board	Tenure as at 31.12.2022 (years/ months)																		
Datuk Mohd Rabin Bin Basir	5 May 2022	7 months																		
Tan Sik Hui	5 May 2022	7 months																		
Yau Yin Wee	5 May 2022	7 months																		
Koh Beng San	5 May 2022	7 months																		
Chen Kok Seng	5 May 2022	7 months																		

	<p>The decision for the resolution approving the re-appointment of such independent Director shall be based on the vote by the Large Shareholder or in the case there is more than one (1) Large Shareholder, a simple majority vote under Tier 1 and a simple majority vote under Tier 2.</p> <p>The tenure of an Independent Director on the Board of the Company shall be limited to twelve (12) years in the Group. If any Independent Director had cumulatively served as an Independent Director of the Company or any one or more of the subsidiaries of the Company for more than 12 years, such Independent Director may continue to serve on the Board as non-independent director.</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 5.4 - Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of having a diverse Board and Senior Management with an appropriate mix of skills, professional experience, age, gender, cultural background and ethnicity to develop a wider pool of perspectives and ideas to support the Group's sustainable business development.</p> <p>By doing this, the Company practices a formal and transparent procedure for the appointment and re-election of directors and the Board diversity. The Board is supportive of diversity on the Board and Senior Management team. The appointment and re-election of Directors and Senior Management and the Board Diversity are in accordance with the Board Charter, the terms of reference of the NC of the Company as well as Director's Fit and Proper Policy governing the Board of Directors, both of which are available on the Company's website.</p> <p>During FYE 2022, the Board has worked towards the representation of 44% women directors in the Board composition and 25% women in the Senior Management of having consideration of their combination of skills, experience and strength in qualities which are relevant to the Company</p> <p>The Board has conducted the annual review of its size and composition in conjunction with the performance evaluation for the individual directors on 28 February 2023. In lights of the latest amendment to the MMLR of Bursa Securities in relation to the establishment the Directors' Fit and Proper Policy. As such, the Board has adopted the Directors' Fit and Proper policy on 1 April 2022.</p> <p>The appointment of Directors and Senior Management staff are based on fit and proper criteria which are in accordance with selection criteria set by the NC. The NC is responsible to lead the process for the nomination of new candidates for appointment and making the necessary recommendations to the Board for approval. In this respect, the role of the NC is detailed in its TOR, which is accessible on the Company's website.</p>

	<p>The Board, through the NC will consider all nominations to the Board, taking into consideration the mix of skills, competencies, experience, integrity, personal attributes and time commitment required to effectively fulfil his/ her role as a director. Diversity in terms of age, gender and cultural background is also considered during the selection process. The composition of the Board is well balanced to address any business challenges and to drive further the business of the Group.</p> <p>The Key Senior Management of the Group comprises employees with qualifications, skills and experience necessary to achieve the goals and objectives of the Group. All Key Senior Management are assessed on a yearly basis based on Key Performance Indicators.</p> <p>In addition, NC has reviewed the sufficiency of time commitment of all Directors during FYE 2022. As a result, NC is of the view that all Directors have devoted adequate time commitment to serve the Board and the Company with their full attendance in all Board meetings as well as the 2022 AGM. In line with Paragraph 15.06 of MMLR of Bursa Securities, none of the Board members holds more than five (5) directorships in listed companies to ensure that would not unduly affect their time commitment and responsibilities to the Board for FYE 2022.</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

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>During FYE 2022, the process with regards to the appointment of new directors to the board is based on the recommendation from the existing Board members and the major shareholder of the Company. The Board relies on the existing network and referrals from directors and major shareholder as primary means to source for new directors as they represent a tried and tested method of sourcing high calibre directors with a sound understanding of the business. The Board was of the opinion that the internal source may speed up the appointment process.</p> <p>The Directors appointment process is carried out based on a methodical process as the candidates recommended are thoroughly assessed based on their competence, integrity, character, time commitment and experience as stated in Paragraph 2.20A of the MMLR and the Company's fit and proper policy.</p> <p>Detailed information on the process undertaken including its process of identifying and appointing a candidate can be found in the TOR of the NC on the Company's website.</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 may utilise variety of independent sources including directors' registry, industry and professional association, open advertisements and independent search firms as well as The Malaysian Institute of Directors (MID) or the Institute of Corporate Directors Malaysia (ICDM) to identify suitably qualified candidates, if required.

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 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>Pursuant to the provisions of the Constitution of the Company, the following Directors who are due for retirement and being eligible, have offered themselves for re-election pursuant to Clause 84.1 of the Company's Constitution at the 2023 Annual General Meeting ("2023 AGM") of the Company:</p> <p>(a) Mr. Alex Miranda Juntado; (b) Ms. Tee Kim Yok; and (c) Ms. Lim Chue Wan.</p> <p>The performance of retiring Directors who are recommended for re-election at the forthcoming AGM had been assessed through the Board annual evaluation (including the independence of Independent Non-Executive Directors) discussed by NC and tabled for Board's approval on 28 February 2023. A statement by the Board and NC satisfying the performance and effectiveness of the retiring Directors who offer themselves for re-election at the AGM will be stated in the Notice of 2023 AGM.</p> <p>The profile of the Directors who are due for retirement and eligible for re-election, which includes the nature of interest with the Company, if any, are set out in the 2022 Annual Report of the Company. This includes the directors nominated for re-election through the Annual General Meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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 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>The NC is chaired by Ms. Tan Sik Hui, the Senior INED in accordance with the membership under the terms of reference of the NC. She was selected to lead the NC to lend insight and objectivity to the process due to her good understanding of the business, its culture and values, extensive knowledge in various industries as well as exemplary leadership and dedication.</p> <p>The Board acknowledges that an effective recruitment and evaluation process of Directors is the bedrock of a high-performing Board and therefore, the Board entrusts the Chairman of NC to lead the conduct of the process in an objective manner.</p> <p>In discharging the duties as the Chairman of the Nomination Committee shall undertake to perform the following:-</p> <ul style="list-style-type: none"> • lead the annual reviewing of Board Effectiveness Evaluation, ensuring that the performance of the Board, Board Committees, each individual director as well as the chief executive officer and chief financial officer are assessed objectively and holistically; • lead the succession planning and appointment of Board members as well as Senior Management, if any; • lead the assessment of Directors' training needs periodically with the aim of devising relevant professional development programmes based on such assessment for recommendation to the Board; • lead the assessment on the size and composition of the Board; and • lead the assessment and consider female candidate(s) to be appointed as Director(s) of the Company to achieve gender diversity.
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 5.9

The board comprises at least 30% women directors.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supportive of gender diversity policy. In its selection of Board members, the Board provides equal opportunity to all candidates who meet the criteria (<i>i.e. individual experience, knowledge and competency</i>) and other qualities <i>vis-a-vis</i> the Group present business portfolios and prospective investment.</p> <p>During FYE 2022, the Board has appointed two (2) additional women directors, namely Ms. Lim Chue Wan and Ms. Tan Sik Hui on 16 March 2022 and 5 May 2022 respectively, which met the gender equality principles set out in the MCCG.</p> <p>Currently, there are four (4) out of nine (9) Directors, namely Ms. Tee Kim Chin, Ms. Tee Kim Yok, Ms. Lim Chue Wan and Ms. Tan Sik Hui, constitutes more than 44% women directors in the Board.</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 always considered gender and workplace diversity as set out under Practice 5.9 and Practice 5.10 of the MCCG which emphasise the support of women representation in the Group's business. The Board believes that a diverse Board members and employees is crucial in ensuring robust decision-making processes with a diversity of viewpoints and the effective governance of the Group.</p> <p>During FYE 2022, the Board has formalised a policy on gender diversity ("Gender Diversity Policy") of the Group and adopted on 1 April 2022 by taking consideration on effective blend of competencies, skills, age, gender, ethnicity, backgrounds and experience as selection of Directors, officers and staff.</p> <p>When appointing a Director or Senior Management, the Nomination Committee will always evaluate and match the criteria of the candidate to the Board based on individual merits, experience, skill, competency, knowledge and potential contribution, whilst due consideration for boardroom diversity also be taken into account. Besides, the NC also oversee matters relating to the annual reviews the required mix of skills, experience, assessment of Directors and senior management, reviews succession plans and, diversity (<i>including gender diversity</i>); oversees training courses for Directors and other requisite qualities of Directors, as well as the annual assessment of the effectiveness of the Board as a whole, its Board Committees and the contribution of each individual Director.</p> <p>To ensure the best practice at all-time in gender diversity, the Gender Diversity Policy has set out that the Board shall comprise of at least 30% female Directors and will actively pursue having more female Directors on the Board and senior management without compromise the objective merited consideration.</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 has, through the NC assessed and evaluated the performance and effectiveness of the Board and Board Committees, as well as each individual Directors for FYE 2022. The process is carried out via digital assessment forms sent to Directors, which the assessment form has reviewed and sent by the Company Secretaries pertaining to the following evaluation:-</p> <p>(a) <u>Performance Evaluation for the Board and Board Committees</u></p> <p>All Directors had conducted the assessment on the performance of the Board and Board Committees of the Company for FYE 2022 comprising the following six (6) 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 evaluationvi. Governance of Sustainability <p>(c) <u>Performance Evaluation for Individual Director</u></p> <p>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/GCEO were also assessed by all Directors in term of their roles and responsibilities.</p> <p>(d) <u>Assessment of the Effectiveness of the AC as a Whole</u></p> <p>The NC has reviewed the terms of office and effectiveness of the AC as whole and the performance of individual AC</p>

	<p>members. Based on the evaluation conducted for FYE 2022, the NC was satisfied with the performance of the Board as a whole and its Board 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 Board's decision to endorse the respective 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 "<i>Independence</i>" used in the definition of "Independent Directors" prescribed by the MMLR 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>NC has also reviewed the Company's current practices against the best practices advocated by the MCCG. In this regard, the Board has reached the gender diversity requirement of having 44% women Directors, which exceeded the MCCG requirement of at least 30% female Board representation in the Board.</p> <p>Moving 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 in order to achieve the best corporate governance practices and further enhance the corporate value.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.1

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 had on 1 April 2022 established a formal Remuneration Framework ("Remuneration Policy") which sets out the principles, structure, policies and procedures to determine the remuneration packages of Directors and Senior Management. The RC is to assist the Board to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of the Directors and Key Senior Management of the Group</p> <p>In determining the remuneration packages, the RC is to ensure the remuneration packages offered are competitive, adequate but not excessive as well as in line with the current market practices to attract, retain, motivate and reward the Directors and Senior Management in order to achieve the Group's business goals.</p> <p>In the case of the remuneration packages for Non-Executive Directors, the remuneration shall be linked to their experience, competence, level of responsibilities, time commitment and the feedback from the annual evaluation undertaken. Generally, the remuneration package shall comprise Director fees, meeting allowance and other benefits-in-kind such as insurance coverage and business travel.</p> <p>Whilst for the remuneration packages of Executive Directors and Senior Management, the said package is designed to link with the Group's performance and the achievement of their own annual Key Performance Indicators ("KPI"). Remuneration package for the Executive Directors shall be made up of base salary, Director fees, allowance, bonus and other benefits in-kind such as medical benefits and insurance coverage. 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>The Board dedicated that all the Directors shall abstain from deliberation and voting on fixing their remuneration package or Directors' fee at the RC Meeting (where relevant) and the Board Meeting.</p> <p>The remuneration framework is published on the Company's website. This policy will be reviewed periodically or as and when necessary to ensure its 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 consists of three (3) members, wholly of Independent Non-Executive Directors, namely Mr. Yau Yin Wee, the Chairman of the RC, followed by the members of the RC are Mr. Koh Beng San and Mr. Chen Kok Seng.</p> <p>The RC is responsible for considering and recommending the following matters to the Board for its approval:-</p> <ul style="list-style-type: none">(a) To recommend to the Board the framework in determining the remuneration of MD/GCEO, Executive Directors and Key Senior Management and the remuneration package for each of the above drawing from outside advice as necessary.(b) To recommend to the Board any performance related pay schemes for Executive Directors.(c) To review Executive Directors' scope of service contracts.(d) To consider the appointment of the service of such advisers or consultants as it deems necessary to fulfil its functions. <p>During the Review Period, the RC had performed its duty to assess annually the remuneration package MD/GCEO, Executive Directors, Key Senior Management as well as fees and benefits payable paid to Non-Executive Directors.</p> <p>During FYE 2022, the interested Directors pertaining to the resolution of their own remuneration packages had abstained for voting in the 2022 Annual General Meeting. In continuing for the best practice of good corporate governance, the interested Directors will abstain from the deliberation and voting on matters pertaining to their own remuneration during the forthcoming 2023 Annual General Meeting.</p>

	The Remuneration Policy is published on the Company's website. This policy will be reviewed periodically by the RC or as and when it is required to ensure the information remains current and updated.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The details of the Directors' remuneration of the Company and the Group for FYE 2022, 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	Tee Kim Chin (Managing Director)	Executive Director	0	0	1,013	0	0	122	1,135	0	0	1,229	0	0	149	1,378
2	Tee Kim Yok	Executive Director	0	0	233	0	0	29	262	0	0	233	0	0	29	262
3	Alex Miranda Juntado	Executive Director	0	0	0	0	0	0	0	499	0	0	0	0	0	499
4	Lim Chue Wan (Appointed on 16 March 2022)	Executive Director	0	0	332	0	0	41	373	0	0	332	0	0	41	373
5	Geoffrey Ng Ching Fung (Appointed on 14 January 2022 and resigned on 11 August 2022)	Non-Executive Non-Independent Director	13	10	0	0	0	0	23	13	10	0	0	0	0	23
6	Datuk Mohd Rabin Bin Basir (Board Chairman) (Appointed on 5 May 2022)	Independent Director	41	10	0	0	0	0	51	41	10	0	0	0	0	51
7	Tan Sik Hui (Senior INED) (Appointed on 5 May 2022)	Independent Director	35	10	0	0	0	0	45	35	10	0	0	0	0	45
8	Yau Yin Wee (Appointed on 5 May 2022)	Independent Director	35	10	0	0	0	0	45	35	10	0	0	0	0	45
9	Koh Beng San (Appointed on 5 May 2022)	Independent Director	35	8	0	0	0	0	43	35	8	0	0	0	0	43
10	Chen Kok Seng (Appointed on 5 May 2022)	Independent Director	35	10	0	0	0	0	45	35	10	0	0	0	0	45

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 electronic management service industry in Malaysia is highly competitive. The competitiveness level has increased further in recent years with the slowing down of, coupled with the uncertainty in the overall global market sentiment. Hence, it has reinforced the attractiveness of market talent pool in other industries.</p> <p>In view of the sensitivity for talent search in the competitive market and to the best interest of the Group, the Board opt not to disclose on named basis, the remuneration of top five (5) senior management. It is also due to confidentiality and concerns over poaching by competitors and head hunters; and in line for the Group to support in retaining talent pool of human capital for the Group.</p> <p>As alternative practice, our Group has benchmarked the remuneration of key management to the industry in which it operates in and ensures that their remuneration commensurate with the scope of work, responsibilities as well as their performance.</p> <p>The Board believes that the following disclosure of Senior Management’s remuneration in the bands of RM50,000 on unnamed basis is sufficient to comply with the Malaysian Financial Reporting Standards so as to fulfil the objective of the Practice 8.2 of MCCG: -</p> <table><tr><th>Range of Remuneration</th><th>Number of Senior Management</th></tr><tr><td>RM150,001 to RM200,000</td><td>-</td></tr><tr><td>RM200,001 to RM250,000</td><td>2</td></tr><tr><td>RM250,001 to RM300,000</td><td>1</td></tr><tr><td>RM300,001 to RM350,000</td><td>1</td></tr></table>	Range of Remuneration	Number of Senior Management	RM150,001 to RM200,000	-	RM200,001 to RM250,000	2	RM250,001 to RM300,000	1	RM300,001 to RM350,000	1
Range of Remuneration	Number of Senior Management											
RM150,001 to RM200,000	-											
RM200,001 to RM250,000	2											
RM250,001 to RM300,000	1											
RM300,001 to RM350,000	1											

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

Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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>The Board has established an AC on 5 May 2022 which chaired by the Independent Non-Executive Director, Mr. Koh Beng San. Meanwhile, the Chairman of the Board is Datuk Mohd Rabin Bin Basir. The Chairman of the AC is distinct from the Chairman of the Board to ensure overall effectiveness and independence of the AC.</p> <p>The duties and responsibilities of the Chairman of the AC are outlined in the TOR of the AC, which is also available on the Company's website.</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

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 Board recognises the need to uphold the independence of the external auditors from the Board and Management. Presently, none of the AC members was a former key audit partner of the Company's auditors.</p> <p>In line with the MCCG, the Board has adopted the Terms of Reference of AC on 1 April 2022 outlined that a former key audit partner is required to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC. The TOR of AC is available at the Company's website at Company's website.</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

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 TOR of the AC has outlined the duties and responsibilities of the AC to review the policies and procedures in relation to the assessment of suitability and independence of external auditors, as well as the provision governing the non-audit services by the external auditors.</p> <p>Pursuant to the TOR of the AC, the AC will be conducting annual assessment to assess the suitability, objectivity and independence of the external auditors prior to making recommendation to the Board for the appointment, re-appointment or termination of the external auditors. The criteria in assessing the external auditors, among others, are as follows:</p> <ul style="list-style-type: none">i) suitability, objectivity and independence of external auditors and their respective audit feesii) Calibre of the external audit firm such as competency, experience and qualityiii) The resources capacity and ability of the external auditors in meeting the audit timeline and responding to audit issuesiv) The adequacy of audit scope and planningv) Communication and engagement between the AC and external auditors <p>The AC, upon conducting assessment on the external auditors for FYE 2022, was satisfied with the suitability, objectivity and independence of the external auditors. The AC also confirmed that the nature and extend of the non-audit service provided by external auditors will not impair their independence. For the audit of FYE 2022, Grant Thornton Malaysia PLT ("Grant Thornton") provided the AC with a written assurance confirming that they were and had been, independent throughout the conduct of the audit engagement, both audit and non-audit services in accordance with the terms of all relevant professional and regulatory requirements. Upon the request of AC, Grant Thornton has also shared its Annual Transparency Report to the AC for information and reference.</p> <p>The AC has also met with the external auditors twice after FYE 2022 in the absence of MD/GCEO, Executive Directors and</p>

	<p>Management at its meetings held after FYE 2022. No major issues requiring attention of the AC were raised.</p> <p>Throughout the annual independence assessment on Grant Thornton, the AC was and satisfied with the suitability of Grant Thornton based on the quality of audit, performance, competency and sufficiency of resources of the external audit team provided to the Group. The AC therefore recommended to the Board for its recommendation for shareholders' approval on the re-appointment of Grant Thornton as the Auditors of the Company at the forthcoming 2023 AGM.</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 an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The AC of the Company was formed on 5 May 2022 comprises solely of Independent Non-Executive Directors, namely Mr. Koh Beng San holds the Chairman position and its two (2) members are Mr. Chen Kok Seng and Mr. Yau Yin Wee.</p> <p>The Board firmly believes the AC would be able to provide impartial and unbiased views along with the relevant check and balances on matters relating to audit of the Company and the Group with its current composition.</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 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 was established on 5 May 2022 to assist the Board in discharging the duties by overseeing the integrity of corporate accounting and financial reporting of the Group. Hence, all members of AC should be financially literate, possess necessary skills and knowledge to discharge its duties and responsibilities effectively.</p> <p>Mr. Koh Beng San, the Chairman of AC, is a Fellow Member of Association of Chartered Certified Accountants (ACCA), member of Malaysian Institute of Accountants (MIA) and also an ASEAN Chartered Public Accountant (ASEAN CPA) member. With his qualification and past experiences on finance and accounting-related services, he has fulfilled the requirements under Paragraph 7.1(a)(ii) of the Practice Note 13 of MMLR.</p> <p>Although only one-third (1/3) of the AC is a member of a professional accounting body, the Board believes that their vast experiences in other industries e.g.: banking and plastic would contribute to the financial reporting process and deliberation on financial matters and internal control system. All three (3) members of the AC kept abreast of developments in accounting and auditing standards, practices and rules through updates from our external auditors of changes in accounting and auditing standards as well as undertake continuous professional development to keep update relevant developments in accounting and auditing standards, practices and rules.</p> <p>The training programmes attended by the AC members during FYE 2022 are disclosed in the Corporate Governance Overview Statement in the Annual Report 2022.</p> <p>Based on the outcome of the annual assessment for AC in FYE 2022 during the Review Period, the Board is satisfied that the</p>

	Chairman and all members of the AC possess the relevant skills, competencies and also comprehend to effectively perform the assigned responsibilities and duties.	
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 Charter sets out that the Board is responsible for the system of internal control and risk management of the Group. The Board acknowledges its overall responsibility for reviewing the adequacy and integrity of the Group's risk management and internal control system, identifying principal risks and establishing an appropriate control environment and framework to manage risk to safeguard shareholders' interests and the Group's assets.</p> <p>In dealing with its stewardship responsibilities, the Board recognises that an effective risk management is part of good business management practice. The Board acknowledges that all areas of the Group's activities involve some degree of risk and is committed to ensuring that the Group has an effective risk management framework and internal control system which will allow the Group to be able to identify, evaluate, monitor and manage risks continuously that may affect the achievement of the Group's business objectives.</p> <p>In conjunction with the Company sought the initial public offering and the listing of and quotation for its entire issued share capital on the Main Market of Bursa Securities, an internal control reviewer ("ICR") has appointed during FYE 2022 to conduct a review on Corporate Governance Practices, internal control, risk management procedures, systems and controls of the Group. The ICR has issued the review of Corporate Governance Practices, Internal Control, Risk Management system Report ("ICR Report"). The ICR Report has been presented to the Board for their review and consideration. All the observations or findings and recommendations of ICR for control weaknesses had been brought up to the management's attention for immediate rectification. The Management has taken the necessary steps to enhance its group internal control system, procedures, policies, controls and resources to strengthen its internal controls system. The ICR has formed their opinion in the ICR Report that they are satisfactorily with the internal control environment within the Group after enhancement on their internal control.</p> <p>The Board is supported by AC and SRMC in reviewing and assessing the adequacy and effectiveness of the risk management and internal controls system in the Group. The SRMC is supported by the Group Sustainability Oversight Committee considers input of all departments in sustainability processes, oversees departments in ensuring robustness of system of sustainability management as well as conducted risk assessments on</p>

	<p>various activities including processes, systems, operations and commercial activities to ensure that these are aligned with our objectives and goals.</p> <p>The Board is assisted by the AC in fulfilling the oversight responsibilities of reviewing the control systems in general and assessing the adequacy and effectiveness of the risk management and internal control practices conducted by the Management</p> <p>The Risk Management and Internal Control framework was adopted on 1 April 2022 and developed with reference to ISO31000: 2018 principles and guidelines and details of the Group's risk management and internal audit framework are set out in the Statement on Risk Management and Internal Control of the Annual Report.</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 Board acknowledges its primary responsibility to ensure that risks in the Group are identified, measured and managed with appropriate system of risk management and internal controls, and to ensure that the effectiveness, adequacy and integrity of the risk management and internal control systems are reviewed on an on-going basis.</p> <p>SRMC is supported by the Group Sustainability Oversight Committee ("Group SOC"), which is led by MD/GCEO and assisted by the respective head of department ("HOD") of the operation, supply chain, business development, finance, corporate affair and human resources and administration departments. Each HOD is responsible to monitor their respective department and report to the Group SOC for any potential risks identified and discuss on the relevant risk mitigating measures. MD/GCEO will subsequently report the same to SRMC for their notation and deliberation for improvements, if necessary.</p> <p>A set of Risk Register has been adopted to properly record and document all identified risks, relevant risk rating, mitigation plans/actions and the relevant person in-charged. The Risk Register will be reviewed and updated regularly by the SRMC to ensure its relevance in line with the evolving business environment.</p> <p>The Board has disclosed the key features of the Group's risk management and practices as well as internal control system in the Statement on Risk Management and Internal Control in the Company's Annual Report 2022.</p> <p>The Internal Audit function assists the SRMC in evaluating the effectiveness of the company's risk management and internal control system through its Internal Audit Plan. The Board has received assurance from the MD/GCEO that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects. With the assurance provided from the Management and the outsourced internal auditor, the Board is satisfied that the Group's risk management and internal control system is operating adequately and effectively</p>

	to safeguard the Group's assets, shareholders' investments and stakeholders' interests.	
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 SRMC of the Company was established on 5 May 2022 and had been re-designated from Risk Management Committee to SRMC on 15 March 2023. It currently comprises a majority of Independent Non-Executive Directors to enable objective oversight of risk matters. Mr. Chen Kok Seng holds the Chairman position and supported by its two (2) members, namely Mr. Koh Beng San and Ms. Tee Kim Chin, the MD/GCEO.</p> <p>Given that the MD/GCEO has more in-depth knowledge on the business and sustainability risks that the Group is exposed to, she is in a better position to evaluate such risks to be presented to our SRMC for the same to oversee and recommend risk management strategies and policies and risk tolerance levels.</p> <p>The key roles and responsibilities of SRMC are set out in the Terms of Reference of which is accessible on the Company's corporate website.</p>

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>In preparation for the Company's initial public offering, the Company underwent extensive due diligence process with its principal advisor, reporting accountant and legal counsel to ensure the Company's readiness in becoming a public listed company. In this regard, the Company engaged an independent consulting firm, namely GovernanceAdvisory.com Sdn. Bhd. ("GA") as its Internal Control Reviewer to review the adequacy and sufficiency of systems, procedures and controls of the Group.</p> <p>The external consulting firm was invited to present their review on the corporate governance, internal control and risk management systems of the Group and audit findings in the Board meeting held on 23 May 2022 and 16 January 2023 respectively. Management has since taken steps to address the findings highlighted by GA for improvement.</p> <p>Prior to the listing of the Company in the Main Market of Bursa Securities, the Board has established the AC on 5 May 2022 and conducted its first AC meeting on 16 January 2023 to outsource its internal audit function by proposing the appointment of independent professional firm, namely Tricor Axcelasia Sdn Bhd as Internal Auditors of the Company ("Internal Auditors") to the Board for approval. The Internal Auditors has proposed the internal audit plan to the AC and the said proposal has been tabled and approved at the Board meeting held on 28 February 2023.</p> <p>The details of internal audit function are stated in the Statement on Risk Management and Internal Control of this Annual Report.</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 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>To maintain a completely independence in the management of internal control environment and remain in compliance with the MMLR of Bursa Securities, the Company’s internal audit function is outsourced to an external service provider to ensure the function is independent from the operations and free from any relationship, conflict of interest and influence of the Management which could impair their objectivity and independence.</p> <p>Subsequent to FYE 2022, the Company has outsourced its internal audit function to an external independent professional service firm, namely Tricor Axcelasia Sdn Bhd (“Tricor Axcelasia”) and they are free from any relationships or conflict of interest that could impair their objectivity and independence by providing written declaration confirmation from the audit engagement team.</p> <p>The internal audit of the Company is led by Ms. Melissa Koay Bee Pheng</p> <p>The profile of Tricor Axcelasia Sdn Bhd is set out as follows:-</p> <table><tr><td>Principal engagement lead</td><td>Ms. Melissa Koay Bee Pheng, Executive Director</td></tr><tr><td>Qualifications and experiences</td><td><p>Ms. Melissa Koay Bee Pheng is a fellow member of the Association of Chartered Certified Accountants, member of the Malaysian Institute of Accountants, Chartered Member of the Institute of Internal Auditors Malaysia and Certified Internal Auditor (USA).</p><p>She has over 20 years of professional and commercial experience that includes internal audit, risk management, business process re-engineering, operational risk and</p></td></tr></table>	Principal engagement lead	Ms. Melissa Koay Bee Pheng, Executive Director	Qualifications and experiences	<p>Ms. Melissa Koay Bee Pheng is a fellow member of the Association of Chartered Certified Accountants, member of the Malaysian Institute of Accountants, Chartered Member of the Institute of Internal Auditors Malaysia and Certified Internal Auditor (USA).</p> <p>She has over 20 years of professional and commercial experience that includes internal audit, risk management, business process re-engineering, operational risk and</p>
Principal engagement lead	Ms. Melissa Koay Bee Pheng, Executive Director					
Qualifications and experiences	<p>Ms. Melissa Koay Bee Pheng is a fellow member of the Association of Chartered Certified Accountants, member of the Malaysian Institute of Accountants, Chartered Member of the Institute of Internal Auditors Malaysia and Certified Internal Auditor (USA).</p> <p>She has over 20 years of professional and commercial experience that includes internal audit, risk management, business process re-engineering, operational risk and</p>					

		control review, investment review and corporate governance advisory.
	Number of resources	The number of staff deployed for the internal audit reviews ranges from 2 to 4 staff per visit, including the engagement director. The staff involved in the internal audit reviews possesses professional qualifications and/or a university degree. Most of them are members of the IIA Malaysia.
<p>The internal audit function is guided by the International Professional Practices Framework (“IPPF”) issued by the Institute of Internal Auditors Malaysia.</p> <p>The scope of internal audit reviews for year 2023 and 2024 has been identified on a risk-based approach and detailed areas of audit have been set out in the internal audit plan that has been reviewed and approved by the AC on 28 February 2023.</p> <p>To maintain independency of the internal audit function, Tricor Axcelasia reports directly to the AC and assists the AC in managing the risks and establishment of the internal control system and processes of the Group by providing an independent assessment on the adequacy, efficiency and effectiveness of the Group’s risk management and internal control system and processes. This reporting relationship supports internal audit independence and objectivity, which assures adequate consideration of audit recommendations and planned corrective actions. The relationship also gives Internal Audit staff the authority needed for full, free and unrestricted access to any or all operations, records, property and personnel within 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	:		
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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>Since the Company was just listed in the Main Market of Bursa Securities on 10 March 2023, the Company had released their prospectus on 16 February 2023, which provided information to facilitate the shareholders to understand the Company's background, business activities and the Group's objectives and expectations.</p> <p>The Board acknowledges the significance of maintaining a regular, transparent and effective communication with various stakeholders. Thus, the Group has leveraged on the following engagement approaches: -</p> <p>(i) <u>Primary Spokesperson</u> Our Board has designated Chairperson or Senior Independent Director or MD/GCEO or Chief Financial Officer to be responsible for communication to investment community, regulators and media as well as address any valid and appropriate issues raised by the shareholders.</p> <p>(ii) <u>Company's website</u> The investor relations sections in the Company's website at www.cape-group.com.my enables the members of the public to have equal access to the Group's information, including Initial Public Offering's prospectus, corporate information, corporate governance, financial information, stock information, investor centre and reports, and news alert.</p> <p>(iii) <u>Announcement made to Bursa Malaysia</u> Quarterly announcements and material information disclosures are made to Bursa Securities, which are accessible on Bursa Securities' website at https://www.bursamalaysia.com/. The Company also issue press releases in Bursa Securities' website to communicate with its stakeholders on the corporate and business developments of the Group. The Company then disseminates its press releases through financial press, printed and electronic media for wider publicity and media coverage to keep the stakeholders informed of the progress and development of the Group's businesses</p>

	<p>(iv) <u>Annual Report</u> The Company's Annual Report also serves as alternate channel of communication between the Group, its shareholders and stakeholders by outlining a series of comprehensive information of the Group, comprising business overview, financial performance, corporate governance, sustainability management, risk management, internal control system as well as the Group's prospects.</p> <p>(v) <u>AGM</u> AGM is the principal forum of dialogue with shareholders to formally communicate internal information pertaining to the Company and the Group. The Company will hold its first AGM after listing in Main Market of Bursa Securities scheduled to be held on 27 June 2023, the Board will make sure the shareholders are given the opportunity to speak and seek clarification during the question-and-answer session of the 2023 AGM. The question-and-answer session during the 2023 AGM as an avenue which provides direct and transparent communication with the Board and the Management by raising questions or concerns in the 2023 AGM. Prior to the AGM, shareholders will be provided with the notice of AGM and accompanying explanatory materials such as Annual Report and/or Circular (if any) to enable shareholders to exercise their rights.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

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

Practice 12.2

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	:	The Company does not fall within the definition of large companies as stipulated under the MCCG.	
<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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Our Board recognises the significance of Annual General Meeting (“AGM”) as a platform for direct and meaningful communication between the Board and the Company’s shareholders. As such, the Board strives to ensure that shareholders are accorded with sufficient time to consider the resolutions that will be discussed and proposed upon at the AGM.</p> <p>During FYE 2022, the Notice of the AGM was circulated at least twenty-one (21) clear days before the meeting which is the minimum prescribed notice under Section 316(2) of the Companies Act 2016 and also complied with the Clause 60.1 of the Company’s Constitution.</p> <p>As the Company was only listed in Main Market of Bursa Securities on 10 March 2023, the forthcoming AGM will be the first AGM since listing and the said AGM was scheduled to be held on 27 June 2023. MMLR of Bursa Securities requires the public-listed company must disclose the application of each practice set out in the MCCG during the financial year.</p> <p>In line with the good corporate governance practice, the Company will circulate the Notice of the 2023 AGM at least twenty-eight (28) days prior to the upcoming 2023 AGM which will be held on 27 June 2023 going above and beyond Section 316(2) of Companies Act 2016 and Paragraph 7.15 of the MMLR of Bursa Securities which call for a 21-days’ notice period to ensure shareholders have sufficient time to go through the Annual Report and papers supporting the resolutions proposed.</p> <p>The notice for the AGM outlines the resolutions to be tabled during the meeting and is accompanied with explanatory notes and background information where applicable to shed clarity on the resolutions to be tabled at the AGM, to enable the shareholders to make informed decisions in exercising their voting right. The form of proxy can be downloaded by the shareholders at the designated link as they have the right to appoint a proxy, and allow a member to appoint a proxy who need not be a member of the Company.</p>

	Notification will be sent to shareholders that the Annual Report 2022, 2023 AGM Notice, Form of Proxy and Administrative Guide are available on our Company's website.	
	In order to achieve the widest possible dissemination, the notice of AGM is placed both in a nationally circulated newspapers and the Company's website at www.cape-group.com.my .	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Notice of AGM for the 2023 AGM of the Company will be circulated to shareholders at least twenty-eight (28) days prior to the upcoming 2023 AGM.
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 AGM is the principal forum for direct interaction and dialogue among shareholders, the Board and management. Shareholders are provided with an opportunity to participate in the question-and-answer session in which shareholders may raise questions and seek clarification pertaining to the business activities of the Company as well as current and future development of the Group.</p> <p>The tentative date of the AGM is 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 chairman 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 during the AGM.</p> <p>During the FYE 2022, all the members of the Board and Board Committees of the Company had attended the 2022 AGM held by way of hybrid through live streaming from the broadcast venue on 23 June 2022. The Chairman of the Board and the Chairman of the respective Board Committees are available at the AGM to respond to any questions addressed to them. Besides the Chairman and the Directors, the senior management, external auditors of the Company as well as advisor were present at the AGM to respond to any questions raised by the shareholders. There is no question raised by the shareholders and/or proxies during the 2022 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	:		
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Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate—

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company had leveraged on technology to conduct the 2022 AGM by way of hybrid through live streaming from the broadcast venue on 23 June 2022. Shareholders participated, spoke and voted by show of hand at the 2022 AGM in accordance with Section 327 of the Companies Act 2016 and provisions of the Company's Constitution. Besides the Directors, the Key Senior Management, the External Auditors and advisors were also in attendance remotely to respond to shareholders' queries.</p> <p>At the 2022 AGM, a summary review of the progress and concise overview of the Group's activities has been presented. Shareholders have been given opportunity to raise questions pertaining to the operations, financial and business progress and any other matters related to the agenda of the 2022 AGM and participate in the question-and-answer session.</p> <p>The Company will continue to leverage technology to facilitate electronic voting ("e-voting") for conduct of poll on all resolutions for the upcoming AGM ("2023 AGM"). This e-voting at the 2023 AGM will be conducted on a poll in accordance with MMLR.</p> <p>The 2023 AGM of the Company will be held as a fully virtual meeting through live streaming and online remote voting from the broadcast venue at Tricor Business Centre, Gemilang Room, Unit 29-02, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia ("Broadcast Venue") using the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd.</p> <p>The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be present at the main venue of the meeting together with the essential persons while the remaining Board members, Senior Management and shareholders will participate in the meeting online. This will be the first experience for the Company to use RPV facilities to conduct its 2023 AGM.</p>

	<p>(a) Remote shareholders' participation at the 2023 AGM</p> <p>Shareholders will be invited to exercise their right to attend, participate and vote at the 2023 AGM remotely by using RPV facilities via the TIIH Online website at https://tiah.online or https://tiah.com.my (Domain Registration No. with MYNIC: D1A282781). The registration for attendance will be opened from Friday, 28 April 2023 at https://tiah.online until the day of 2023 AGM on Tuesday, 27 June 2023. Detailed procedures is provided to shareholders of the Company in the Administrative Guide.</p> <p>(b) Voting in absentia</p> <p>Shareholders will be required to log-in with their usernames and passwords at the https://tiah.online website and participated remotely via live streaming at the 2023 AGM. A short video by the Poll Administrator will be played to demonstrate to the members, corporate representatives or proxies who will be present at the 2023 AGM on the process for online voting. The voting session will commence from the time as announced by the Chairman until the close of the voting session as announced by the Chairman later.</p> <p>The scrutineers will verify and announce the poll results for each resolution with the details of votes for in favour and against. The Chairman will declare the poll results and the same will make available at the Company's website for the benefit of all shareholders.</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>General meetings serve as an important communication channel for shareholders. Shareholders were able to participate and interact with the Board during the AGM through live streaming of the proceedings and submission of their questions/comments on the agenda items during the AGM.</p> <p>At the commencement of the 2022 AGM, Datuk Mohd Rabin Bin Basir, the Chairman briefed the members, corporate representatives and proxies present in hybrid mode also informed them at the Meeting of their right to ask questions and vote on the resolutions set out in the Notice of the 2022 AGM dated 7 June 2022. Besides the Directors, the Key Senior Management, the External Auditors and advisors were also in attendance remotely to respond to shareholders' queries.</p> <p>At the AGM, the shareholders were given sufficient opportunity to raise their questions and therefore, the Chairman and Directors, either physical or virtual, have to address the questions raised accordingly. There were no questions raised by the shareholders and/or proxies during the 2022 AGM.</p> <p>All Directors, Key Senior Management and External Auditors will attend the upcoming 2023 AGM, which shall provide answers and clarification to the shareholders. The shareholders provided with an opportunity to participate in the question-and-answer session in which shareholders may raise questions pertaining to the business activities of the Company. The shareholders are encouraged to raise questions to the Group's activities and prospects as well as to communicate their expectations and concerns in the upcoming AGM to be held on 27 June 2023.</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.

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Notwithstanding the 2022 AGM of the Company was held by way of hybrid through live streaming from the broadcast venue on 23 June 2022, all the resolutions set out in the Notice of the 2022 AGM were put to vote by show of hands and duly passed.</p> <p>As the Company was listed on the Main Market of Bursa Securities on 10 March 2023, the forthcoming AGM ("2023 AGM") will be the first AGM of the Company since listing.</p> <p>The 2023 AGM of the Company will be held fully virtual and entirely via RPV facilities to ensure safe distancing requirement is observed.</p> <p>The Board will appoint Tricor Investor & Issuing House Services Sdn Bhd as the Poll Administrator to verify the eligibility of shareholders/corporate representatives/proxies to attend the 2023 AGM based on the Annual General Meeting Record of Depositors and upon the cut-off date and time for proxy form submission.</p> <p>The shareholders who are not able to attend the 2023 AGM can appoint their own proxy or appoint the Chairman as their proxy to attend and vote on his/her behalf provided that the relevant proxy form is lodged at the Company's Share Registrar office at least forty-eight (48) hours before the time appointed for 2023 AGM.</p> <p>Shareholders are to attend, participate (including posing questions to the Board via real time submission of typed texts) and vote remotely at the 2023 AGM using the RPV.</p>

	<p>The Board will ensure that questions posed by shareholders should be made visible to all meeting participants during the meeting itself via the remote participating online platform to ensure to be more transparent and effective. In addition, in order to uphold integrity of voting process, the voting result was verified by the independent scrutineer appointed by the Company.</p> <p>The outcome of the general meetings including the poll voting result will be announced to Bursa Securities on the same day after the meetings are concluded and the announcement is accessible a Bursa Securities' website and/or corporate website at www.cape-group.com.my.</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

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	As the Company was only listed in Main Market of Bursa Securities on 10 March 2023, the 2023 AGM will be the first AGM since listing and the said AGM was scheduled to be held on 27 June 2023. MMLR of Bursa Securities requires the public-listed company must disclose the application of each practice set out in the MCCG during the financial year.
		To uphold the best practice as per MCCG, the Company will publish the upcoming AGM minutes no later than 30 business days after the AGM on the Company's website for shareholders' reference.
		The Board will ensure the Minutes of the upcoming 2023 AGM is prepared and published on the Company's website no later than 30 business days after the AGM is being held to be in line with the best practice of the MCCG.
<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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