

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5311
COMPANY NAME : CAPE EMS BERHAD
FINANCIAL YEAR : December 31, 2023

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 guiding the strategic, direction, leadership, governance, and performance of the Company and its subsidiaries (collectively known as "the Group"). The Board is also responsible for overseeing the development and approval of CAPE's vision, mission, and core values, policies, and goals related to economic, environmental, and social impacts to ensure the long-term success of the Company and sustainable value for its stakeholders.</p> <p>To effectively carry out these responsibilities, the Board follows the guidelines set out in the Board Charter, which outlines the duties and responsibilities of the Board and delegates specific powers and responsibilities to the Managing Director/Group Chief Executive Officer ("MD/GCEO"), Executive Directors ("EDs"), Senior Independent Non-Executive Director, Independent Non-Executive Directors ("INEDs") and relevant Board committees including the Audit Committee ("AC"), the Nominating Committee ("NC"), the Remuneration Committee ("RC") and the Sustainability and Risk Management Committee ("SRMC") (collectively, "Board Committees"). Each Board Committee operates according to clearly established terms of reference defining 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, along with EDs and Management supports and assists the Board in fulfilling its duties. The MD/GCEO is accountable for overseeing the day-to-day business operations of the Group with the backing of the Management team and the Group Sustainability Oversight Committee ("GSOC"). The SRMC reports on risk</p>

	<p>management while the GSOC led by MD/GCEO reports on sustainability strategies, business plans, and key initiatives. The Board offers guidance and advice on the Company’s business strategies and the Group Chief Financial Officer provides financial updates to the Directors, considering the Company’s values and standards.</p> <p>During Board meetings, Directors engage in the following activities:</p> <ul style="list-style-type: none"> (a) Developing the Company’s strategy and monitoring its performance and implementation; (b) Assessing the Company’s performance quarterly; (c) Reviewing quarterly financial results and announcements; (d) Receiving reports from Board Committees on key matters; (e) Assessing and reviewing the acquisition of a new subsidiary, iConn Inc., a United-States-based EMS company and private placement; (f) Assessing and reviewing the joint-venture for the research and development, business development and production needs locally and abroad to carry out the business of wholesale of motorcycles and scooters; (g) Reviewing the solvency test and declaration of the interim dividend; (h) Providing constructive feedback and guidance on areas for improvement; and (i) Reviewing and following up on issues raised in each meeting to ensure recommended actions items and solutions are implemented. <p>While the Board Committees oversee specific aspects of the Company’s affairs in accordance with approved terms of reference and report findings and recommendations to the Board, certain responsibilities have been delegated to the EDs. The Chairman of each Board Committee reports key matters discussed in the Board Committee meetings to the Board and makes recommendations for final decisions as needed.</p> <p>However, the Board retains ultimate responsibility for corporate governance and the Company’s affairs. The Board is fully accountable for guiding and monitoring the Company in fulfilling its responsibilities.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>

Timeframe	:		
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Intended Outcome

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

Practice 1.2

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 the Company is led by Datuk Mohd Rabin Bin Basir, who is an Independent Non-Executive Chairman. His main responsibility is to lead and manage the work of the Board in order to ensure that it operates effectively and fully discharges 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 the Company 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">(a) leading the Board in the oversight of management;(b) be a spokesperson for the Company i.e. representing the Board to shareholders and chairing general meetings of shareholders;(c) setting the board agenda and ensuring the provision of accurate, timely, complete, and clear information to Directors;(d) leading and chairing board meetings and discussions;(e) 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;(f) encouraging active participation and allowing dissenting views to be freely expressed;(g) managing the interface between the Board and Management;(h) leading the Board in establishing and monitoring good corporate governance practices in the Company;(i) ensuring the integrity of the governance processes 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 give him/her cause for major concern;(j) functioning as a facilitator at meetings of the Board to ensure that no member, whether executive or non-executive, dominates the discussion, that appropriate discussions take place, and that relevant opinions among members are forthcoming. The Chairman will ensure that discussions result in logical and understandable outcomes; and

	<p>(k) ensuring that all Directors are enabled and encouraged to participate in its activities. This includes ensuring that all relevant issues are on the agenda that all Directors receive timely, relevant information, and that they are properly briefed on issues arising at Board meetings.</p> <p>The roles and responsibilities of the Chairman of the Board are 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, set the agenda for Board meetings and ensured that all relevant issues were on the agenda. The Chairman ensured that all Directors had the opportunity to contribute to discussions, encouraged active participation, and addressed all agenda items during the Board meetings.</p>
<p>Explanation for departure</p>	<p>:</p>
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<p>Timeframe</p>	<p>:</p>

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 GMD of the Company. The distinct and separate roles and responsibilities of the Chairman and the MD/GCEO are 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 holds primary responsibility for the stewardship and effective functioning of the Board, including ensuring that the Board fulfils its leadership, and control roles and assists in achieving the Company's goals. Additionally, the Chairman serves as a liaison between the Board and Management and fulfils other duties as requested by the entire Board based on the organisation's needs and circumstances.</p> <p>The MD/GCEO is primarily responsible for overseeing and managing the day-to-day business operations of the Group. It is her duty to implement the Group's business plan, policies, and strategies as adopted by the Board. The MD/GCEO plays a key role in developing a dynamic corporate culture with the necessary skills and competency. Additionally, the MD/GCEO reports on sustainability strategies, business plans, and key initiatives. She is also accountable for developing and recommending budgets to the Board that support the Group's long-term vision and strategy. The MD/GCEO formulates and monitors the implementation of major corporate policies and procedures that are established, implemented, maintained, and regularly reviewed.</p>

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

Intended Outcome

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

Practice 1.4

The 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 MCGG, 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.</p> <p>Thus, the Chairman of the Board of the Company did not participate in any of these Board Committees' meetings 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 :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is currently supported by well-qualified and competent company secretaries, namely Ms. Teo Soon Mei (MAICSA 7018590 and SSM Practicing Certificate No. 201908000235) ("Ms. Teo") and Ms. Lim Jia Huey (MAICSA 7073258 & SSM Practicing Certificate No. 201908000929) ("Ms. Lim"). Both of them have met 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 hold a practicing certificate issued 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 possessing a Master of Corporate Governance with more than 29 years of corporate secretarial experience, Ms. Teo offers extensive knowledge to support the Board in fulfilling its fiduciary duties and leadership responsibilities in establishing the Group's corporate governance standards. She also serves as the Company Secretary for several other listed companies in Malaysia.</p> <p>Ms. Lim is an Associate member of the MAICSA (Chartered Secretary and Chartered Governance Professional). She has more than 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 crucially advise the Board on the Company's administrative, governance, and meeting procedures. She ensures that both the Company and the Group adhere to all relevant legal and corporate governance standards.</p> <p>Guided by the roles and responsibilities in Paragraph 13.3 of the Company's Board Charter, the Company Secretaries fulfil their duties. The Board Charter is available on the Company's website.</p> <p>Continuously staying informed about the latest regulatory and corporate governance developments through ongoing training and industry updates, both Company Secretaries have enhanced their</p>

	<p>professional knowledge. They participated in various relevant continuous professional development activities throughout the FYE 2023.</p> <p>During the FYE 2023, both Company Secretaries attended all the Board and Board Committees meetings, ensuring that meeting procedures were well-organised and that complete and accurate meeting material were distributed in a timely manner. Furthermore, they offered valuable governance advice, updates, and guidance to the Board and Management, promoting adherence to rules and procedures and advocating for best corporate governance best practices.</p> <p>The Board is satisfied with the service and support provided by both Company Secretaries to the Board in fulfilling its functions during the FYE 2023.</p>	
<p>Explanation for departure</p>	<p>:</p>	
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<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

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 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 schedules. To assist the Directors in planning their attendance, the Company Secretary consults every Director before fixing the dates of these meetings. An annual tentative calendar has been circulated and tabled to the Board for the scheduling of the Board, Board committee meetings, and Annual General Meeting for the forthcoming year. In FYE 2023, a total of six (6) Board meetings were held with all Board members attending the meetings.</p> <p>In consultation with the Board and Board Committees Chairman, the Company Secretary identifies and prepares the annual meeting agendas for the Board and Board Committees. Additional agenda items may be added upon request by the Chairman, the Board, or the Management.</p> <p>The meeting notice was circulated at least five (5) business days before the scheduled meeting, along with meeting materials sent digitally to the Directors. This allows the Board to review materials, seek additional information or clarification, and make informed decisions prior to the meeting.</p> <p>The Board has unfettered and prompt access to all Group information and guidance from the Company Secretary to fulfil their duties, either as a collective Board or individually, aiding in the decision-making process. Directors can communicate directly with Management, and request further information or updates on the Company's operations or business matters before or during meetings. Directors may also engage independent professionals for advice on specific issues at the Company's expense, enabling them to fulfil their duties with comprehensive knowledge and resources when needed.</p> <p>All matters discussed, decisions reached, and conclusions made during Board meetings are meticulously documented by the Company</p>

	Secretary. The Board reviews this documentation for accuracy and completeness in a timely manner, confirming them at subsequent meetings. Minutes and Resolutions are signed as an accurate record of the proceedings.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted a Board Charter which is periodically reviewed. Paragraphs 7 to 14 of the updated Board Charter articulate the respective roles and responsibilities of the Board, Board Committees, Chairman, MD/GCEO, EDs, INEDs, and Company Secretary as well as the matters that are reserved for the Board's deliberation and decision. The updated Board Charter is available on the Company's website.</p> <p>The Board Charter serves as a guide and reference and primary induction literature that provides 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 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 & Ethics Policy, and SOP ("Code") as well as the Directors' training requirements.</p> <p>The Board has conducted an 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 an impact on the discharge of the Board's responsibilities. 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 has established the Code that applies to all Directors and employees of the Group, with the same principles outlined in Paragraph 23 of the Board Charter (hereinafter collectively referred to as "Code of Conduct and Ethics"). Additionally, Declaration Forms concerning conflicts of Interest ("COI") and/or Potential COI have been required for all Directors and key senior management of the Company (hereinafter referred to as "Declaration of COI"). The Code of Conduct outlines the foundational principles and ethical standards expected from Directors and employees of the Group in their roles and dealings, emphasizing professionalism and trustworthiness. Furthermore, contractors, sub-contractors, consultants, agents, representatives, and any other parties working for the Group are bound to comply with the Anti-Bribery and Corruption Policy ("ABC Policy") during their activities.</p> <p>The Code of Conduct and Ethics ("Code") addresses various aspects crucial to the Group's business operations, such as legal compliance, integrity, environmental care, trust, workplace harmony, conflict avoidance, financial responsibility, insider trading, bribery, corruption, and money laundering.</p> <p>Directors and key senior management's Declaration of COI, disclosing any COI and/or potential COI, including interests in competing businesses, is presented to the AC and the Board. During the FYE 2023, all Directors and key senior management declared that none of them have any COI and/or potential COI, including interests in competing businesses.</p> <p>Directors and key senior management are expected to uphold the highest ethical standards, promoting transparency, accountability, and the Group's reputation, while employees are tasked with understanding and upholding ethical conduct in the workplace and external business interactions.</p>

	<p>Besides, Directors must disclose their shares' interests in the Company and related companies, as well as their involvement in contracts or proposed contracts with the Company or any of its related companies. If conflicts arise, Directors must declare their interest and abstain from deliberating and voting in relation to related party transactions, which are then reviewed and deliberation at the AC Meeting.</p> <p>The Code has been reviewed and updated periodically, where necessary to ensure that it remains relevant and appropriate.</p> <p>Additionally, compliant 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 Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") in relation to the anti-bribery, the Company has also established and implemented an ABC Policy to combat unethical practices and promote integrity within the organisation. The ABC Policy governs the prevention of corruption, and unethical practices within the Company and promotes integrity and ethical conduct or behaviour in all aspects of the Company's operation. The Anti-Money Laundering Policy ("AML Policy") and Whistle-Blowing Policy ("WB Policy") provide avenues for reporting unlawful or unethical behaviour.</p> <p>Copies of the Code, ABC Policy, AML Policy, and WB Policy are accessible at www.cape-group.com.my.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

The 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 is applicable to provide an avenue for all employees (“Employees”) and Directors of the Group and members of the public to voice or raise genuine concerns responsibly and appropriately.</p> <p>This WB 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 of any reasonable belief or suspicion of malpractice or misconduct within the Group, the whistle-blower is advised to report it to the identified individuals or through the following methods:</p> <ul style="list-style-type: none">(a) For Employees to make Complaints:<ul style="list-style-type: none">(i) Immediate supervisor(ii) Member or Chairperson of the AC of the Company(iii) Senior independent director of the Company (for complaints related to directors and senior management positions)(iv) Head of the internal audit department of the Group or the head of the appointed internal audit consultant team (if the internal audit function is outsourced)(v) Head of a dedicated department handling investigations of misconduct or related matters, reporting directly to the AC or senior independent director of the Company

	<p>(b) For stakeholders to make Complaints:</p> <p>(i) Submit complaints in writing, orally, or via email to the Chairman of the AC, mailing it in a sealed envelope or sending it through proper mail or to the email address whistleblowing@cape.com.my</p> <p>Upon receiving written complaints or allegations of misconduct, the AC will establish an investigation team to conduct a confidential, fair, and impartial investigation.</p> <p>In accordance with the Whistle-blower Protection Act 2010, whistle-blowers who report in good faith will be protected and not subjected to any kind of reprisal, threat, harassment, retribution, or victimization ("Detrimental action") due to their disclosure. Any proven Detrimental action against a genuine whistle-blower will be considered a serious breach of the Whistle-blowing Policy, leading to disciplinary action, including suspension without pay or dismissal.</p> <p>Based on the Whistle-blowing Policy, the Board will regularly review and assess its relevance and effectiveness, making necessary updates and adaptations to align with changes in the Group's business environment, administrative or operational needs, and legislation. The Policy will be reviewed by the Board at least once every three (3) years.</p> <p>The WB Policy fosters an environment in which integrity and ethical behaviour are maintained through. The WB Policy is available on the Company's website at www.cape-group.com.my.</p> <p>During FYE 2023, the Group has not received any report made by any whistle-blower.</p>
<p>Explanation for departure</p>	<p>:</p>
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<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board together with the Management, acknowledges their responsibilities for governing sustainability within the Company, covering areas such as health, safety, environment, social, and governance. They ensure that sustainability is integrated into the strategic direction of the Group and its operations, including settling the Company's strategies, priorities, and targets. The Board ensures that sustainability considerations are factored into their duties, which include developing and implementing company strategies, business plans, major action plans, and risk management.</p> <p>The Board Charter, detailed in Paragraph 4.7, outlines the key responsibilities of the Board, including:</p> <ul style="list-style-type: none">(a) adopting and reviewing a strategic plan, as developed by the Management taking into account the sustainability and long-term value creation of the Group's business and strategic, with attention given to the economic, environmental, and social considerations underpinning sustainability and governance aspects of the business;(b) setting and taking responsibility for the Group's sustainability policy to oversee, together with the Management, to meet the Group's sustainability goals to maintain the confidence of stakeholders <p>GSOC drives the strategic management of material sustainability matters. The MD/GCEO together with GSOC are responsible for implementing sustainability initiatives and managing sustainability matters in the Group's operations. The MD/GCEO, alongside GSOC, sets implementation plans and targets for sustainability matters, presenting to the SRMC and the Board. The GSOC presented internal practices to the SRMC and the Board to formulate a sustainable strategy for the Group, with the assistance of EDs.</p>

	<p>To address sustainability risks and opportunities, the SRMC and the Board conduct an annual material matters assessment. This process helps prioritise risks and opportunities within the economic, environmental, social, and governance context leading to sustainable strategy formulation aligned with the target set by the Company.</p> <p>In FYE 2023, the Board has identified 3 key sustainability focus areas mapped with 8 relevant targets set by the Company when developing the Group’s sustainability strategies. Each material sustainability matter was set with a respective target towards achieving sustainability goals.</p> <p>While the Group has performed assessments on sustainability issues, the Board believes that current integration, practices, and disclosures can be further improved.</p> <p>The Group’s sustainability strategies and efforts in addressing the material risks and opportunities are detailed in the Sustainability Statement within the Annual Report 2023.</p>	
<p>Explanation for departure</p>	<p>:</p>	
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<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

Practice 4.2

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

Application	: Applied
Explanation on application of the practice	<p>The Board recognises the importance of effectively communicating the Company's sustainability strategies, priorities, and targets to both internal and external stakeholders. Regular engagement with stakeholders is crucial in formulating the Group's sustainability strategies, priorities, and targets. These communications help the Board better understand stakeholders' needs and expectations, facilitating the strategic planning process.</p> <p>Once the Group's sustainability strategies and targets are defined, they are communicated to all employees by the GSOC and respective Head of Departments. The Company also reports stakeholders' engagements, material matters assessment, sustainability strategies, targets, and performance in the Sustainability Statement within the Annual Report 2023.</p> <p>Based on the evaluation of internal key stakeholders, a total of eight (8) significant areas were identified, taking into account their impact on the Group and stakeholders. These areas are covered under material sustainability matters, and they include:</p> <ol style="list-style-type: none">1) Ethical Business Practices,2) Data Privacy and Security,3) Healthy, Safe, Secure, and Conducive Workplace,4) Equal Employment Opportunity and Non-Discrimination,5) Human Rights and Labor Practices,6) Responsible Energy and Resource Management,7) Carbon Reduction, and8) Contribution to the Community <p>These key areas were determined based on their significance in relation to the Group and their impact on stakeholders. They represent important aspects of sustainability that the Group focuses on addressing and managing effectively.</p> <p>Effective stakeholder engagement is vital in managing sustainability concerns and expectations. The Company communicates sustainability matters to stakeholders through various channels, including:</p>

	<p>(a) The Sustainability Statement which includes a description on governance, key stakeholders' engagement, materiality matrix, and key sustainability matters aligned with the defined targets;</p> <p>(b) Corporate website that includes information on the Group's sustainability framework and relevant codes and policies underpinning environmental, social, and governance elements are accessible on the corporate website at www.cape-group.com.my</p> <p>(c) Stakeholders' engagement via various platforms such as meetings, corporate website, analyst briefings, press releases, and community events; and</p> <p>(d) Programs to enhance Employees' awareness of the Group's sustainability commitments.</p> <p>Further information on stakeholders' communication practices is disclosed in the Sustainability Statement in this Annual Report 2023.</p>
<p>Explanation for departure</p>	<p>:</p>
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Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is dedicated to staying informed about sustainability issues relevant to the Group’s business and operations through regular updates from Management and participation in relevant training programs. Throughout FYE 2023, the Board was briefed by Management during Board meetings on the Company’s sustainability initiatives and progress.</p> <p>To remain up-to-date with the latest sustainability trends and issues, Board members and the Management team will attend training courses as necessary to enhance their environmental, social, and governance (“ESG”) competency. In FYE 2023, Directors and Management participated in specific training programs to gain insight into sustainability-related issues that are significant to the Company and its operations, including those related to climate risks and opportunities. The detailed of the specific training program for FYE 2023 are disclosed in the Corporate Governance Overview Statement (“CG Overview Statement”) for FYE 2023.</p> <p>To further strengthen ESG knowledge and expertise, the Board, in collaboration with the NC will continue to identify and recommend relevant sustainability-related training programs for the Board and Management. By actively engaging in such initiatives, the Board ensures that its members are well-prepared to address and provide guidance on sustainability matters within 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

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 2023 by setting sustainability-related questionnaires 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 the ESG context, development of sustainability programs, monitoring of sustainability management progress, 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 knowledge, skills, and expertise and have sufficiently discharged their duties and responsibilities efficiently in addressing the Group’s material sustainability risks and opportunities during the FYE 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

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	:	The Board does not appoint any Chief ESG Officer, however, the MD/GCEO led the management of sustainability during FYE 2023

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 for assisting the Board in the development and implementation of the policies on the nomination and appointment of Directors to achieve the long-term sustainability of the Group in accordance with the term of reference 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>During the financial year, the board evaluation for the FYE 2023 was completed and tabled for NC deliberation on 20 November 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 the Board for re-election of the following Directors of the Company who are due for retirement ("Retiring Directors") at the forthcoming 2024 Annual General Meeting ("2024 AGM") of the Company pursuant to Clause 84.1 of the Constitution of the Company:</p> <ul style="list-style-type: none">(a) Datuk Mohd Rabin Bin Basir;(b) Ms. Tan Sik Hui; and(c) Mr. Yau Yin Wee <p>The NC had agreed on the re-election processes as summarised below:</p> <ul style="list-style-type: none">(a) The optimum size of the Board, mix of skills or experience, and diversity in terms of gender where the Company has achieved approximately 44% women representation in the Board;(b) The NC shall from time to time identify the selection criteria for the new directors with the view to closing the gap and strengthening the Board composition with reference to the strategic direction of the Company; and

	<p>(d) The performance and contribution of the Retiring Directors from the Board Effectiveness Evaluation conducted following factors were taken into consideration:</p> <ul style="list-style-type: none"> (i) Fit and proper assessment; (ii) Contribution to interaction; (iii) Knowledge and calibre; (iv) Provision of quality of input to the Board; (v) Understanding of role; and (vi) Conflict of interest assessment. <p>Based on the outcome of the assessment reviewed by NC, the NC was satisfied that the Retiring 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 for the re-election and re-election of the Retiring Directors at the forthcoming 2024 AGM of the Company.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

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 the FYE 2023, the current Board comprises nine (9) members with a majority of five (5) INEDs as follows:</p> <ul style="list-style-type: none">(a) Datuk Mohd Rabin Bin Basir;(b) Ms. Tan Sik Hui;(c) Mr. Yau Yin Wee;(d) Mr. Koh Beng San; and(e) Chen Kok Seng <p>The current Board composition is in line with the MCCG's recommendation to have at least half of the Board comprise INEDs as well as comply with 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 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 an annual basis to ensure the independent directors are independent, can exercise objective judgement, and can act in the best interest of the Company, the Group, shareholders, and other stakeholders.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied																		
Explanation on application of the practice	:	<p>The tenure of INEDs of the Company are as follows and none of the INEDs of the Company has served beyond nine (9) years:</p> <table border="1"><thead><tr><th>Name of INEDs</th><th>Date of first appointment to the Board</th><th>Tenure as of 31/12/2023 (years/ months)</th></tr></thead><tbody><tr><td>Datuk Mohd Rabin Bin Basir</td><td>5 May 2022</td><td>1 year and 7 months</td></tr><tr><td>Tan Sik Hui</td><td>5 May 2022</td><td>1 year and 7 months</td></tr><tr><td>Yau Yin Wee</td><td>5 May 2022</td><td>1 year and 7 months</td></tr><tr><td>Koh Beng San</td><td>5 May 2022</td><td>1 year and 7 months</td></tr><tr><td>Chen Kok Seng</td><td>5 May 2022</td><td>1 year and 7 months</td></tr></tbody></table> <p>The Board Charter clearly states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years since the appointment as an 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 that the Independent Director is re-designated as a Non-Independent Director. 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 the review of the Board should be disclosed to the shareholders for them to make an informed decision. Where the Board proposes to re-appoint an 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). 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>	Name of INEDs	Date of first appointment to the Board	Tenure as of 31/12/2023 (years/ months)	Datuk Mohd Rabin Bin Basir	5 May 2022	1 year and 7 months	Tan Sik Hui	5 May 2022	1 year and 7 months	Yau Yin Wee	5 May 2022	1 year and 7 months	Koh Beng San	5 May 2022	1 year and 7 months	Chen Kok Seng	5 May 2022	1 year and 7 months
Name of INEDs	Date of first appointment to the Board	Tenure as of 31/12/2023 (years/ months)																		
Datuk Mohd Rabin Bin Basir	5 May 2022	1 year and 7 months																		
Tan Sik Hui	5 May 2022	1 year and 7 months																		
Yau Yin Wee	5 May 2022	1 year and 7 months																		
Koh Beng San	5 May 2022	1 year and 7 months																		
Chen Kok Seng	5 May 2022	1 year and 7 months																		

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

Intended Outcome

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

Practice 5.4 - 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 supported by a diverse Board and Senior Management. The appointment and re-election of Directors, Senior Management, and the Board Diversity are in accordance with the Board Charter, the terms of reference of the NC as well as the Director's Fit and Proper Policy governing the Board of Directors, both of which are available on the Company's website at www.cape-group.com.my.</p> <p>The details of the Board Diversity FYE 2023 are disclosed in the CG Overview Statement of the Company for FYE 2023.</p> <p>During the year, the Board has achieved the representation of approximately 44% women Directors in the Board composition having the combination of skills, experience, and strength in qualities that 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. The Board has established the Directors' Fit and Proper Policy and uploaded on the Company's website at www.cape-group.com.my.</p> <p>The appointment of Directors and Senior Management are based on fit and proper criteria which are in accordance with selection criteria set by the NC. The NC is responsible for leading 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 terms of reference, which is accessible on the Company's website at www.cape-group.com.my.</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 the business of the Group to greater heights.</p> <p>The Key Senior Management (“KSM”) of the Group comprises employees with qualifications, skills, and experience necessary to achieve the goals and objectives of the Group. All KSM are assessed on a yearly basis. The details of the KSM Diversity FYE 2023 are disclosed in the CG Overview Statement of the Company for FYE 2023</p> <p>In addition, NC has reviewed the sufficiency of time commitment of all Directors during FYE 2023. 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 2023 Annual General Meeting (“2023 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 the FYE 2023.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter has set out the procedures for identifying and selecting candidates for appointment of Directors. The Board Charter is available on the Company's website at www.cape-group.com.my.</p> <p>Pursuant to the provision of the Board Charter, in identifying candidates for appointment of Directors, the Board does not solely rely on recommendations from existing Board members, Management or shareholders of the Company. The Board shall endeavour to utilise independent sources or any other sources to identify the suitably qualified candidate. The Company should disclose in its corporate governance report how candidates for board positions were sourced, including, whether such candidates were recommended by the existing Directors, members of Senior Management, or major shareholders of the Company.</p> <p>The appointment of a new Director is a matter for consideration and decision by the Board upon appropriate recommendation from the NC. During the FYE 2023, the Company is a corporate member of the Institute of Corporate Directors Malaysia ("ICDM") and all Directors of the Company are members of ICDM. In the future, the Board may utilise a variety of independent sources including directors' registry, industry and professional associations, open advertisements, and independent search firms as well as ICDM. For FYE 2023, no new director was appointed by the Board of the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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 were 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 AGM of the Company:</p> <ul style="list-style-type: none">(a) Mr. Alex Miranda Juntado;(b) Ms. Tee Kim Yok; and(c) Ms. Lim Chue Wan <p>The above Directors were re-elected by the shareholders of the Company at the 2023 AGM of the Company.</p> <p>The following Directors ("Retiring Directors") who are due for retirement and being eligible, have offered themselves for re-election according to Clause 84.1 of the Company's Constitution at the 2024 AGM:</p> <ul style="list-style-type: none">(a) Datuk Mohd Rabin Bin Basir;(b) Mr. Yau Yin Wee; and(c) Ms. Tan Sik Hui <p>The performance of Retiring Directors who are recommended for re-election at the forthcoming 2024 AGM has been assessed through the Board annual evaluation discussed by NC and tabled for the Board's approval on 20 November 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 2024 AGM will be stated in the Notice of 2024 AGM.</p> <p>The profile of the Retiring Directors who are due for retirement and eligible for re-election, which includes the nature of interest with the Company, if any, are set out in the Annual Report 2023 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 :		

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. He leads the NC to lend insight and objectivity to the process due to his 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 objectively.</p> <p>In discharging the duties as the Chairman of the NC shall undertake to perform the following:</p> <ul style="list-style-type: none"> (a) lead the annual review of Board Effectiveness Evaluation, ensuring that the performance of the Board, Board Committees, and each individual Director are assessed objectively and holistically; (b) lead the succession planning and appointment of Board members as well as Senior Management, if any; (c) lead the assessment of Directors' training needs periodically to devise relevant professional development programs based on such assessment for recommendation to the Board; (d) lead the assessment of the size and composition of the Board; and (e) 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 has established its Gender Diversity Policy in the Board Charter under Paragraph 15. The Board is supportive of the Gender Diversity Policy. In its selection of Board members, the Board provides equal opportunity to all candidates who meet the criteria (i.e. individual experience, knowledge, and competency) and other qualities vis-à-vis the Group's present business portfolios and prospective investment.</p> <p>During the FYE 2023, no new Director was appointed by the Board. Currently, there are four (4) out of nine (9) Directors are women Directors, namely Ms. Tee Kim Chin, Ms. Tee Kim Yok, Ms. Lim Chue Wan, and Ms. Tan Sik Hui, who constitute approximately 44% of women Directors on the Board. The Board of the Company has met the gender equality principles set out in the MCCG.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has always considered gender and workplace diversity as set out under Practice 5.9 and Practice 5.10 of the MCCG. The Board has established its Gender Diversity Policy ("GD Policy") which taking consideration the effective blend of competencies, skills, age, gender, ethnicity, backgrounds, and experience as the selection of Directors, officers, and staff. The Board believes that diverse Board members and employees are crucial in ensuring robust decision-making processes with a diversity of viewpoints and the effective governance of the Group. To ensure the best practice at all times in gender diversity, the GD Policy has set out that the Board shall comprise at least 30% female Directors and will actively pursue having more female Directors on the Board and senior management without compromising the objective merited consideration.</p> <p>When appointing a Director or Senior Management, the NC 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 is taken into account. Besides, the NC also oversees matters relating to the annual reviews of the required mix of skills, experience, and 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 Directors.</p> <p>In this regard, the NC is responsible for reviewing and assessing the composition and performance of the Board, as well as identifying appropriate qualified persons to occupy the Board positions. The Board through the NC will discuss annually all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption.</p> <p>During the year, there are four (4) female Directors on the Board constituting approximately 44% of women Directors in the Board.</p> <p>The NC will continue to review the demographics of the Group's current state in terms of ethnicity, gender, and age to assess the diversity practices.</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	: The Board has, through the NC assessed and evaluated the performance and effectiveness of the Board and Board Committees, as well as each individual Director for the FYE 2023. The process is carried out via digital assessment forms sent to Directors, which the assessment forms have reviewed and sent by the Company Secretary pertaining to the following evaluation: (a) <u>Performance Evaluation for the Board and Board Committees</u> All Directors had conducted the assessment on the performance of the Board and Board Committees of the Company for the FYE 2023 comprising the following six (6) areas:- (i) Board mix and composition; (ii) Board's relationship with the Management; (iii) Quality of information and decision-making; (iv) Boardroom activities; (v) Board Committee's evaluation; and (vi) Governance of Sustainability (b) <u>Performance Evaluation for Individual Director</u> The scope of assessment comprising the Directors' contribution to interaction, knowledge, quality of input, and understanding of their role as well as their understanding of role and Sustainability Governance. In addition, the performance of the Board Chairman and the MD/GCEO were also assessed by all Directors in terms of their roles and responsibilities. (c) <u>Assessment of the Effectiveness of the AC as a Whole</u>

The NC has reviewed the terms of office and effectiveness of the AC as a whole and the performance of each individual AC member. Based on the evaluation conducted for the FYE 2023, the NC was satisfied with the performance of the Board as a whole and its Board Committees, individual Board members, and AC. All the Directors and Board Committees provided anonymous feedback on their peers' performance and individual performance contributions to the Board and respective Board Committees.

The results were then collated by the Company Secretary 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 "*Independence*" used in the definition of "Independent Directors" prescribed by the MMLR of Bursa Securities.

The Board was satisfied with the results of the annual assessment and the current size and composition of the Board are 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.

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 approximately 44% women Directors, which met the MCCG requirement.

Moving forward, the Board will continue its efforts on reviewing and addressing the recommendation to strive further for ensuring the effectiveness of the Board, and diversity of gender in order to achieve the best corporate governance practices and further enhance the corporate value.

Based on the assessment results of the performance evaluation for the other Board Committees for the FYE 2023 and upon the recommendation from the NC, the Board has concluded that:

- (a) The other Board Committees including the NC, RC, and SRMC carried out their roles and responsibilities appropriately and effectively overall on the basis of results gained in performing the analysis and evaluation as described in the evaluation forms. The results confirmed the strengths of the Company's Board Committees that should be held going forward. Particularly high ratings were given for certain practices of the Board Committees, including:

	<ul style="list-style-type: none"> (i) The Board Committees have discharged their responsibilities by deploying resources and expertise and providing appropriate reporting and recommendations to the Board. (ii) Deliberation communications between the Board Committees and the Management recorded at the rate average of 4 (out of 5 rating). (iii) Appointment based on criteria recorded at a rate above 3.89 (out of 5 ratings) with the view that Directors were selected based on appropriate criteria to ensure a proper balance of knowledge, experience, and ability, engaged in open discussion, under the proper direction of the Board Chairman. (iv) Communication quality was recorded at the rate average of 4 (out of 5 rating). <p><u>Initiatives Going Forward</u></p> <p>Going forward, the Board will focus its efforts on reviewing the performance of the Board and Senior Management in addressing the Company’s material sustainability risks and opportunities as recommended under Practice 4.4 of the MCCG.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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 has established a formal and transparent remuneration framework as a guide for the Board and the RC to determine the remuneration of Directors and Senior Management of the Company, which takes into account the demands, complexities and performance of the Company as well as skills and experience required. The Board should determine who makes up Senior Management and if any other group of employees should be covered by the remuneration policy and procedures.</p> <p>The Board has established a Remuneration Policy and Procedures ("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 KSM 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 Directors' fees, meeting allowance, and other benefits-in-kind such as insurance coverage and business travel. In making its recommendation, the RC considers the responsibilities of the Directors and also by benchmarking against the Directors' fees structure of other</p>

	<p>industry players, in order to be competitive to retain skills and talent on the Board.</p> <p>The remuneration framework is designed to ensure that reward is measurably linked to the achievement of business, performance objectives, and business environments. The remuneration framework outlines the total compensation packages of fixed remuneration and variable remuneration payable to MD/GCEO, EDs, and Senior Management. Fixed remuneration refers to basic salary and other fixed income, commensurate with the role and position of MD/GCEO, an individual ED, and Senior Management, including professional experience, qualifications, responsibilities, job complexity, and local market condition, etc.</p> <p>The variable remuneration refers to the discretionary performance bonus which is cash-based and does not consist of shares or non-cash instruments. The pool for the variable remuneration is determined by financial performance, market trends, and economic outlook.</p> <p>On the other hand, Senior Management’s remuneration package shall contain the base salary, allowance, bonus, and other benefits-in-kind, similar to that of EDs.</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 Policy 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 developments.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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

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

Practice 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 the following members, all being INEDs:</p> <ul style="list-style-type: none">(a) Mr. Yau Yin Wee (Chairman)(b) Mr. Koh Beng San (Member)(c) Mr. Chen Kok Seng (Member) <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, EDs, and KSM 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 EDs.(c) To review EDs' 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 financial year, the RC had performed its duty to assess annually the remuneration package of MD/GCEO, EDs, and KSM as well as fees and benefits payable to Non-Executive Directors.</p> <p>During the FYE 2023, the interested Directors pertaining to the resolution of their own remuneration packages had abstained from voting in the 2023 AGM. In continuing 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 2024 AGM.</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 the FYE 2023, on a named basis, with remuneration breakdown are 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 cum Group Chief Executive Officer)	Executive Director	0	0	1,882	180	0	249	2,311	0	0	2,117	200	0	280	2,597
2	Tee Kim Yok	Executive Director	0	0	338	30	0	45	413	0	0	338	30	0	45	413
3	Alex Miranda Juntado	Executive Director	0	0	0	0	0	0	0	528	0	0	0	0	0	528
4	Lim Chue Wan	Executive Director	0	0	556	50	0	74	680	0	0	556	50	0	74	680
5	Datuk Mohd Rabin Bin Basir (Board Chairman)	Independent Director	80	25	0	0	0	0	105	80	25	0	0	0	0	105
6	Tan Sik Hui	Independent Director	71	24	0	0	0	0	95	71	24	0	0	0	0	95
7	Yau Yin Wee	Independent Director	71	25	0	0	0	0	96	71	25	0	0	0	0	96
8	Koh Beng San	Independent Director	71	25	0	0	0	0	96	71	25	0	0	0	0	96
9	Chen Kok Seng	Independent Director	71	25	0	0	0	0	96	71	25	0	0	0	0	96
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here				
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here				
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here				
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here				
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here				
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here				

Intended Outcome

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

Practice 8.2

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

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 the market talent pool in other industries.</p> <p>In view of the sensitivity of talent search in the competitive market and to the best interest of the Group, the Board opts not to disclose on a named basis, the remuneration of the top four (4) KSM. 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 an alternative practice, our Group has benchmarked the remuneration of KSM to the industry in which it operates in and ensures that their remuneration is commensurate with the scope of work, responsibilities as well as their performance.</p> <p>The Board believes that the following disclosure of KSM's remuneration for the FYE 2023 in the bands of RM50,000 on an 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 border="1"> <thead> <tr> <th>Range of Remuneration</th> <th>Number of KSM</th> </tr> </thead> <tbody> <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> </tbody> </table>	Range of Remuneration	Number of KSM	RM200,001 to RM250,000	2	RM250,001 to RM300,000	1	RM300,001 to RM350,000	1
Range of Remuneration	Number of KSM									
RM200,001 to RM250,000	2									
RM250,001 to RM300,000	1									
RM300,001 to RM350,000	1									
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>										

Measure	: 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.				
2	Input info here	Input info here	Choose an item.	Choose an item.				
3	Input info here	Input info here	Choose an item.	Choose an item.				
4	Input info here	Input info here	Choose an item.	Choose an item.				
5	Input info here	Input info here	Choose an item.	Choose an item.				

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	The detailed remuneration of each member of Senior Management on a named basis will not be disclosed for confidentiality purposes.

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman of the AC is Mr Koh Beng San, while the Chairman of the Board is Datuk Mohd Rabin Bin Basir. The Chairman of the AC is not the Chairman of the Board to ensure the overall effectiveness and independence of the AC.</p> <p>The duties and responsibilities of the Chairman of the AC are outlined in the terms of reference of the AC, which is also available on the Company's website.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The 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 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 terms of reference of AC are available on the Company's website.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The terms of reference of the AC have 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 terms of reference of the AC, the AC will be conducting an annual assessment to assess the suitability, objectivity, and independence of the external auditors prior to making a recommendation to the Board for the appointment, re-appointment, or termination of the external auditors. The criteria for assessing the external auditors, among others, are as follows:</p> <ul style="list-style-type: none">(a) suitability, objectivity, and independence of external auditors and their respective audit fees;(b) Calibre of the external audit firm such as competency, experience, and quality;(c) The resources capacity and ability of the external auditors in meeting the audit timeline and responding to audit issues;(d) The adequacy of audit scope and planning; and(e) Communication and engagement between the AC and external auditors. <p>During the FYE 2023, the AC conducted an assessment on the suitability, objectivity, and independence of the External Auditors, of Grant Thornton Malaysia PLT ("GTM") and they were re-appointed as the External Auditors at the 2023 annual general meeting, with their term until the conclusion of the next annual general meeting of the Company.</p> <p>The AC met with GTM four (4) times during FYE 2023, in the absence of MD/GCEO, Executive Directors, and Management. No significant issues requiring the AC's attention were raised.</p> <p>Throughout the annual independence assessment of GTM, the AC was content with their suitability based on the external audit team's quality, performance, competency, and resource sufficiency provided to the</p>

	Group. Consequently, the AC recommended to the Board for its proposal of GTM's re-appointment as the external auditors of the Company at the forthcoming 2024 AGM.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted								
Explanation on adoption of the practice	:	<p>The AC comprises three (3) members, all of whom are INEDs. The composition of the AC is as follows:</p> <table border="1"><thead><tr><th>Name</th><th>Designation</th></tr></thead><tbody><tr><td>Mr. Koh Beng San</td><td>Chairman</td></tr><tr><td>Mr. Yau Yin Wee</td><td>Member</td></tr><tr><td>Mr. Chen Kok Seng</td><td>Member</td></tr></tbody></table> <p>The Board firmly believes the AC would be able to provide impartial and unbiased views along with the relevant checks and balances on matters relating to the audit of the Company and the Group with its current composition.</p>	Name	Designation	Mr. Koh Beng San	Chairman	Mr. Yau Yin Wee	Member	Mr. Chen Kok Seng	Member
Name	Designation									
Mr. Koh Beng San	Chairman									
Mr. Yau Yin Wee	Member									
Mr. Chen Kok Seng	Member									

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The AC is to assist the Board in the discharge of duties by overseeing the integrity of corporate accounting and financial reporting of the Group. Hence, all members of AC should be financially literate and possess the necessary skills and knowledge to discharge their duties and responsibilities effectively.</p> <p>Mr. Koh Beng San, the Chairman of AC, is a Fellow Member of the Association of Chartered Certified Accountants (ACCA), a member of the Malaysian Institute of Accountants (MIA), and also an ASEAN Chartered Public Accountant (ASEAN CPA) member. With his qualifications and past experiences in finance and accounting-related services, he has fulfilled the requirements under Paragraph 7.1(a)(ii) of the Practice Note 13 of MMLR of Bursa Securities. The profile of Mr. Koh Beng San is set out in the Directors' Profile in the Annual Report 2023.</p> <p>All three (3) members of the AC kept abreast of the developments in accounting and auditing standards, practices and rules through the updates from the Company's external auditors who keep the members of the AC and other members of the Board updated with the changes in accounting and auditing standards. All members of the AC have also undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.</p> <p>The training programs attended by the AC members during FYE 2023 are disclosed in the CG Overview Statement in the Annual Report 2023.</p> <p>The Board, through the NC, had conducted the following reviews on the AC for FYE 2023:</p> <p>(a) its composition in accordance with MMLR of Bursa Securities;</p>

	<p>(b) the terms of office of the AC; and (c) the performance of the AC and its members.</p> <p>Based on the outcome of the annual assessment, the Board is satisfied that the Chairman and members of the AC possess the relevant skills and competencies and also able to comprehend and effectively perform the assigned responsibilities and duties, they have also carried out their roles and responsibilities as stipulated in the terms of reference of the AC.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board 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 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 that 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>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 also considers input of all departments in sustainability processes, oversees departments in ensuring the robustness of the system of sustainability management as well as conducts risk assessments on 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 Board has received assurance from the MD/GCEO representing the Management that the Group's risk management and internal control system have been operating adequately and effectively, in all material aspects, based on the risk management and internal control adopted by the Group during the FYE 2023. The details of the Group's risk management and internal control system are set out in the Statement</p>

	on Risk Management and Internal Control in the Company's Annual Report 2023.	
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 Company has integrated an umbrella risk management framework into the management process as well as day-to-day business activities. Such adoption promotes a top-down risk management approach from the holding company level to each subsidiary by ensuring the alignment of risk management objectives across the Group.</p> <p>The Board acknowledges its primary responsibility to ensure that risks in the Group are identified, measured, and managed with the 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 ongoing basis.</p> <p>The key features of the risk management framework of the Group are as follows:</p> <ul style="list-style-type: none">(a) Ongoing communication and consultation with various internal and external stakeholders in order to gain a better understanding of risk management from all aspects;(b) Establishing the context from both the internal and external parameters for setting the scope and criteria for the risk management process;(c) The 3-step bottom-up approach in identifying, analysing, and evaluating the relevant risk within the context for the Company, Subsidiary, and Group level respectively;(d) Implementation of most appropriate risk treatment options, including but not limited to risk transfer, risk avoidance, risk reduction, and risk acceptance/retention to address the identified risks;(e) Regular risk monitoring and review; and(f) Reporting to the SRMC, AC, and Board periodically on the findings and recommendations, of which the Board shall ultimately be responsible for the effectiveness of the risk management system of the Group as a whole. <p>A set of Risk Register has been adopted to properly record and document all identified risks, relevant risk ratings, mitigation</p>

	<p>plans/actions, and the relevant person in charge. 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 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 and Group Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects. With the assurance provided by 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 to safeguard the Group's assets, shareholders' investments, and stakeholders' interests.</p> <p>Further details on the features of the risk management and internal control framework and the adequacy and effectiveness of this framework have been disclosed in the Statement on Risk Management and Internal Control in the Company's Annual Report 2023.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

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 has been entrusted by the Board to oversee the risk management framework and policies of the Group. The composition of the SRMC, which comprises a majority of INEDs, is as follows:</p> <table border="1"><thead><tr><th>Name</th><th>Designation</th></tr></thead><tbody><tr><td>Mr. Chen Kok Seng (Chairman)</td><td>Independent Non-Executive Director</td></tr><tr><td>Mr. Koh Beng San (Member)</td><td>Independent Non-Executive Director</td></tr><tr><td>Ms. Tee Kim Chin (Member)</td><td>Managing Director/ Group Chief Executive Officer</td></tr></tbody></table> <p>Given that the MD/GCEO has more in-depth knowledge of 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, policies, and risk tolerance levels.</p> <p>The key roles and responsibilities of SRMC are set out in the terms of reference which is accessible on the Company's corporate website.</p>	Name	Designation	Mr. Chen Kok Seng (Chairman)	Independent Non-Executive Director	Mr. Koh Beng San (Member)	Independent Non-Executive Director	Ms. Tee Kim Chin (Member)	Managing Director/ Group Chief Executive Officer
Name	Designation									
Mr. Chen Kok Seng (Chairman)	Independent Non-Executive Director									
Mr. Koh Beng San (Member)	Independent Non-Executive Director									
Ms. Tee Kim Chin (Member)	Managing Director/ Group Chief Executive Officer									

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has delegated the responsibility to review the adequacy and integrity of the Group’s system of internal control and risk management to the AC and the SRMC.</p> <p>The internal audit function of the Group is outsourced to a professional service firm, Tricor Axcelasia Sdn Bhd (“Tricor Axcelasia”). The outsourced internal auditors report directly to the AC on the internal audit findings and recommendations.</p> <p>The outsourced internal audit function is independent and the internal audit assignments are performed with impartiality, proficiency, and due professional care. The outsourced internal auditors performed review processes according to the internal audit plan approved by the AC. Upon completing its audit review, an internal audit report highlighting audit findings and recommendations will be issued by the internal auditors and tabled at the AC meetings for deliberation.</p> <p>During the FYE 2023, the internal auditors had conducted two (2) internal audit reviews on Sustainability Management and Supply Chain Management – Warehousing & Inventory. Based on the internal audit review conducted, none of the weaknesses noted have resulted in any material losses, contingencies, or uncertainties that would require separate disclosure in the Annual Report 2023.</p> <p>The AC had reviewed and assessed the adequacy and effectiveness of the outsourced internal auditors and was satisfied with the competence and independence of the internal auditors in performing their scope of duties in FYE 2023.</p> <p>Details of the internal audit function are set out in the Statement on Risk Management and Internal Control in the Annual Report 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

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>The Group has outsourced the internal audit function to a professional firm, Tricor Axcelasia for the FYE 2023. The internal audit engagement team from Tricor Axcelasia is led by its Executive Director, Mr. Chang Ming Chew, a Certified Internal Auditor and Certified Information Systems Auditor; and a Fellow Member of the Association of Chartered Certified Accountants (ACCA), a Professional Member of the Institute of Internal Auditors Malaysia, and Member of Malaysian Institute of Accountant. He has vast experience and exposure in the internal audit field. He was assisted by five (5) staffs in the internal audit reviews conducted for the Group in FYE 2023.</p> <p>All the internal audit personnel involved in the internal audit assignment are free from any relationships or conflicts of interest with the Group. They are able to perform internal audits objectively, independently, proficiently, and with due professional care. The AC is satisfied that the outsourced internal auditors have maintained a high degree of independence and professionalism in carrying out their duties.</p> <p>The internal audit function is carried out in accordance with the International Professional Practices Framework issued by the Institute of Internal Auditors Malaysia.</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>The Board values the importance of effective communication and timely flow of information on all material business matters to its stakeholders. The Board also recognises the need for transparency and accountability to the Company's shareholders, stakeholders, and investors on the performance and major developments in the Company.</p> <p>The Board ensures that there is effective, transparent and regular communication with its stakeholders through a variety of communication channels as follows:</p> <p>(a) <u>Primary Spokesperson</u></p> <p>The Board has identified Chairperson or Senior Independent Director or MD/GCEO or Chief Financial Officer as the authorised Spokesperson for communication to the investment community, regulators, and media as well as address any valid and appropriate issues raised by the shareholders.</p> <p>(b) <u>Corporate website</u></p> <p>The Company's corporate website at <u>http://cape-group.com.my/en/home</u> is a platform to provide convenient access the information on, amongst others, the Group's corporate profile, corporate milestones, products and services offered, Company's latest announcements such as material information, updates and periodic financial reports to the shareholders, investor and general public. Once relevant information is disclosed to the public and available to investors <i>i.e. announcement category in the Bursa Securities' website</i>, the Company has established a dedicated section for corporate disclosure on the Company's website for the respective announcements made.</p>

The corporate website will dedicate the Investor Relations section and Corporate Governance section to provide relevant investor-related information. The information available on the corporate website includes corporate and financial information, annual reports, press releases, and regulatory announcements made to Bursa Securities.

(c) Announcement made to Bursa Securities

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 issues press releases on 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 CAPE group's businesses

(d) Annual Report

Shareholders and investors can obtain our Group's latest announcements such as material information, updates, and periodic financial reports on the dedicated website of the Company. The Company's key channel of shareholder communication includes the Company's annual report which is the central means of communicating to the shareholders, amongst others, the Company's business operations and activities, the Group's financial performance, and the status of compliance with applicable rules and regulation i.e. corporate governance report shall be read together with Annual Report that provides comprehensive and up-to-date information about our Group in compliance with the MMLR of Bursa Securities.

(e) Annual General Meeting ("AGM")

The AGM is used as the main forum of dialogue with shareholders and investors to gather their views and raise any matters of concern about the Group. The shareholders are encouraged to participate in the question and answer session during the AGM to seek clarification regarding the Group's financial performance and business activities for effective and transparent communications. The MD/GCEO, Executive Directors, and Management will be present at the AGM to answer queries in person and ensure all information disclosed remains succinct, current, relevant, and accurate.

(f) Minutes of the General Meeting

	<p>Minutes of the general meeting including issues/concerns raised and responses by the Company (<i>summary of the key matters discussed at the AGM</i>) should be circulated to shareholders or make available at the Company's website no later than 30 business days after the general meeting.</p> <p>(g) <u>Briefing sessions with analysts</u></p> <p>By conducting briefing sessions with analysts by the Company from time to time to provide updates on the Company's performance or address concerns raised by stakeholders, the Company can enhance communication with stakeholders, gain valuable feedback, and further investor relations efforts.</p> <p>(h) <u>Interviews</u></p> <p>The MD/GCEO is our spokesperson be open to providing interviews when appropriate and he will address any inquiries promptly. This channel offer opportunity to disseminate information quickly, gather feedback, and demonstrate responsiveness.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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 has not implemented integrated reporting due to lack of internal resources needed to develop and implement the necessary reporting processes and tools. The Company recognises the value of integrated reporting, but has determined that they need to focus their current resources on other strategic priorities at this time.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Notice of the 2023 AGM which was scheduled on 27 June 2023, together with the explanatory notes on the proposed resolutions as contained in the Annual Report 2022 was sent to the shareholders at least twenty-eight (28) days prior to the date of the 2023 AGM, so as to give sufficient time and enable the shareholders to make informed decisions in exercising their voting rights at the AGM, and to arrange for proxies to attend the AGM on their behalf if so required.</p> <p>The notice for the 2023 AGM has outlined the resolutions to be tabled during the meeting and was accompanied with explanatory notes and background information where applicable to shed clarity on the resolutions to be tabled at the 2023 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> <p>In addition, an announcement of the Notice of the 2023 AGM was also made to Bursa Securities as well as published in the major local newspaper.</p> <p>In line with good corporate governance practice, the Company will continue to adopt the best practice as advocated in the MCGG by circulating the Notice of the 2024 AGM at least twenty-eight (28) days prior to the upcoming 2024 AGM which will be held on 12 June 2024 above and beyond Section 316(2) of Companies Act 2016 and Rule 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 supporting papers for the proposed resolutions.</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 13.2

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 the current and future development of the Group.</p> <p>The Chairman of the Board, all the Directors, and the Chairperson of the Board Committees attended the 2023 AGM of the Company which was held by way of fully virtual through live streaming from the broadcast venue on 27 June 2023 to engage with the shareholders virtually and proactively.</p> <p>Besides the Chairman and the Directors, the Senior Management and external auditors of the Company were present at the 2023 AGM to respond to any questions raised by the 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 13.3

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 has leveraged technology to facilitate electronic voting (“e-voting”) for the conduct of polls on all resolutions for the 2023 AGM. This e-voting at the 2023 AGM has been conducted on a poll in accordance with Paragraph 8.29A of the MMLR of Bursa Securities.</p> <p>The 2023 AGM of the Company was 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 was strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to present at the main venue of the meeting together with the essential persons while the remaining Board members, Senior Management and shareholders had participated the 2023 AGM online. This was the first experience for the Company to use RPV facilities to conduct its AGM.</p> <p>(a) <u>Remote shareholders' participation at the 2023 AGM</u></p> <p>Shareholders have been 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://tiih.online or https://tiih.com.my (Domain Registration No. with MYNIC: D1A282781). Registration for attendance will be opened from Friday, 28 April 2023 at https://tiih.online until the day of 2023 AGM on Tuesday, 27 June 2023. Detailed procedures are provided to shareholders of the Company in the Administrative Guide.</p> <p>(b) <u>Voting in absentia</u></p> <p>Shareholders will be required to log in with their usernames and passwords at the https://tiih.online website and participate</p>

	<p>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 the process for online voting. The voting session will commence from the time announced by the Chairman until the close of the voting session as announced by the Chairman later.</p> <p>The scrutineers have verified and announced the poll results for each resolution with the details of votes in favour and against. The Chairman thereafter has declared the poll results and the same has been made available on the Company's website for the benefit of all shareholders.</p>	
Explanation for departure		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure		
Timeframe		

Intended Outcome

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

Practice 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>The Chairman of the Board, all the Directors, and the Chairperson of the Board Committees attended the 2023 AGM of the Company which was held on a fully virtual basis and entirely via RPV on 27 June 2023 to engage with the shareholders virtually and proactively. The Administrative Guide for the 2023 AGM has been circulated to all shareholders of the Company and made available on the Company's website on the procedures to register, participate, and vote remotely at the 2023 AGM through the RPV facilities.</p> <p>At the 2023 AGM, the shareholders were given sufficient opportunity to raise their questions and therefore, the MD/GCEO and Group Chief Financial Officer have also virtually replied and addressed the questions raised by them accordingly.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The 2023 AGM of the Company was held fully virtual and entirely via RPV facilities on 27 June 2023 to ensure safe distancing requirement is observed.</p> <p>The Board has appointed 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 were 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. The relevant proxy forms were lodged at the Company's Share Registrar office at least forty-eight (48) hours before the time appointed for the 2023 AGM.</p> <p>Shareholders had attended, participated (including posing questions to the Board via real-time submission of typed texts), and voted remotely at the 2023 AGM using the RPV.</p> <p>Whilst the MD/GCEO and Group Chief Financial Officer replied to the questions posed by shareholders prior to and during the 2023 AGM and such questions have been made visible to all meeting participants during the meeting via the remote participating online platform to ensure to be more transparent and effective. In addition, in order to uphold the integrity of the 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 was announced to Bursa Securities on the same day after the 2023 AGM and the announcement is accessible via Bursa Securities' website and/or corporate website 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

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The Minutes of the 2023 AGM have been uploaded to the Company's website after it is duly confirmed and signed. The Company has uploaded the list of questions posed by shareholders via the RPV facilities together with the answers on the Company's website within 30 business days from the date of the 2023 AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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