

CORPORATE GOVERNANCE REPORT

STOCK CODE : 8982
COMPANY NAME : CEPATWAWASAN GROUP BERHAD
FINANCIAL YEAR : 31 December 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT 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 Cepatwawasan Group Berhad ("Company") is committed to ensure that the highest standards of corporate governance are practised throughout the Group towards enhancing business prosperity and corporate accountability to realise long term shareholders' value for the Company's shares. The Board is working towards ensuring full compliance with principles and best practices of Malaysian Code on Corporate Governance.</p> <p>The Board assumes full responsibilities for the overall performance of the Company and its subsidiaries by setting the policies, establishing goals and monitoring the achievement of the goals through strategic action plans and careful stewardship of the Group's assets and resources. It focuses on financial performance and crucial business issues, like principal risks and their management, succession planning for senior management, investor relations programme and shareholders communication policy, systems for internal control and compliance with laws and regulations.</p> <p>In discharging their responsibility, the Board considers all aspects of the operations of the Group and in particular the following areas:</p> <ul style="list-style-type: none">• Reviewing and adopting a strategic business plan for the Group.• Overseeing the conduct of the business of the Group.• Identifying and putting in place systems to manage any principal risk.• Succession planning for senior management.• Developing and implementing investor relations programme or shareholder communications policy.• Reviewing internal control and management information systems.

	To ensure the effective discharge of its function and responsibilities, the Board has delegated specific responsibilities to the following Committees: (a) Audit Committee (b) Nomination Committee (c) Remuneration Committee (d) Executive Committee	
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 1.2

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>Tan Sri Dr Mah King Thian @ Mah King Thiam is the Chairman of the Company. His profile can be viewed on page 8 of the Company's Annual Report. He leads the Board to enable the Board functions effectively.</p> <p>As provided by the Company's Board Charter, the Chairman is required, amongst others, to:</p> <ol style="list-style-type: none">1. facilitate all Board meetings and ensure the appropriate level of interaction among Board members, subsidiary Board members and senior management;2. ensure a balance composition of skills, knowledge and experience within the Board and an effective working, reporting and communication mode;3. ensure that material matters in respect of the business or governance of the Company or the Group are tabled and ventilated effectively for Board decision making;4. monitor the performance of the individual and collective roles of the directors and the Board;5. maintain a regular and constructive dialogue with the Managing director and senior management in respect of all material matters affecting the Company and the Group and to consult with the other Board members promptly and appropriately; and6. chair all meetings with the shareholders i.e. Annual General Meeting, Extraordinary General Meeting.
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 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The roles of the Chairman and Managing Director are separate and each has a clearly accepted division of responsibilities to ensure a balance of power and authority. Tan Sri Dr Mah King Thian @ Mah King Thiam is the Executive Chairman and Chairman of the Board whereas Dato' Seri Mah King Seng is the Group Managing Director of the Company.</p> <p>The Chairman is primarily responsible for the orderly conduct and working of the Board while the Managing Director has overall responsibilities in the implementation of Board policies and decisions as well as some of the Group's day-to-day operations.</p> <p>The Chairman is an Executive Director and remains so after taken into consideration of his vast experience in managing the Group's main business in plantations and palm oil mill which would enable him to provide the Board with a diverse set of experience, expertise and skills to better manage and run the Group.</p> <p>The respective duties and responsibilities of the chairman and the Group Managing Director are contained in the Board charter.</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

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'.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<ul style="list-style-type: none">• The Chairman of the Board, Tan Sri Dr Mah King Thian @ Mah King Thiam is not a chairman/member of any of these Board committees. The Chairman of these Committees are: (a) Audit Committee - Datuk Chua Kim Yin (JP) (b) Nomination committee - Datuk Chua Kim Yin (JP) (c) Remuneration Committee – Mr. Chan Kam Leong• However, at the invitation of these Committees, the Chairman of the Board who is an executive Chairman and/or Managing Director and other appropriate officer(s) may be invited to attend these Committee meetings, where their presence are considered appropriate as determined by the Chairman of the respective Committees.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	Not Applicable

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 Company Secretaries of the Company are Mr. Kang Shew Meng and Ms Seow Fei San. They are qualified to act as company secretaries under section 235 of the Companies Act 2016.</p> <p>The Company Secretaries play important roles in ensuring adherence to the Board policies and procedures from time to time.</p> <p>The Company Secretaries carry out the following tasks:</p> <ul style="list-style-type: none">• Attend and ensure proper conduct and procedures at all Board Meetings, Board Committee Meetings, Annual General Meeting ("AGM") and Extraordinary General Meeting ("EGM");• Ensure that the quarterly financial results, audited financial statements, annual reports, circulars, etc and all relevant announcements are announced to Bursa Malaysia Securities Berhad on a timely basis;• Ensure that deliberations at the meetings are well captured and minuted, and subsequently communicated to the relevant Management personnel for necessary actions;• Ensure that the Company complies with the Main Market Listing Requirements ("MMLR") and the requirements of the relevant authorities;• Inform and keep the Board updated of the latest enhancement in corporate governance, changes in the legal and regulatory framework, new statutory requirements and best practices;• Keep the Directors and principal officers informed of the closed period for trading in the Company's securities; and• Ensure proper record and maintenance of the Company's proceedings, resolutions, statutory records, register books and documents.
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.6

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 notice and agenda of Board meetings are given to the members of the Board and Board Committees at least 7 days prior to the meetings.</p> <p>During the financial year ended 31 December 2021, meetings papers are made available to the Directors at least 5 calendar days prior to the meetings.</p> <p>Moving forward, the management will strive to circulate the meeting papers at least 7 calendar days in advance of the meeting.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is 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 is guided by its Board Charter. The Board has established clear functions reserved for the Board and those delegated to Management in the Board Charter which serves as a reference point for Board's activities. The Board Charter provides guidance for Directors and Management on the responsibilities of the Board, its Committees and requirements of Directors and it is subject to periodical review to ensure consistency with the Board's strategic intent as well as relevant standards of corporate governance.</p> <p>The Board Charter addresses, among others, the following matters:</p> <ul style="list-style-type: none">• Role and responsibilities of the Board;• Composition, Board balance and Board diversity;• The role of Chairman and Group Managing Director;• Supply of information and Board meetings;• Matters reserved for the Board; and• Board Committees; <p>The Board Charter was reviewed and updated on 24 February 2022. The Board Charter is accessible for reference on the Group's website, www.cepatgroup.com</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 Company has formalised a set of ethical standards through a Code of Conduct and Ethics, which is subject to periodical review, to ensure Directors practise ethical, business like and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members. The Board would review the said Code of Conduct and Ethics when necessary. The Code of Conduct and Ethics is published on the Company's website at www.cepatgroup.com.</p> <p>Along with good governance practices and in order to enhance transparency and accountability, the Board has established and put in place the following policies and procedures which full details of the policies and procedures are made available at the Company's website at www.cepatgroup.com:</p> <ul style="list-style-type: none">- Board Charter- Code of Conduct and Ethics- Shareholder's Right relating to General Meeting- Whistleblowing Policy and Procedure- Sustainability Policy- Anti-bribery Policy and Corruption Policy- Diversity policy
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 3.2

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

Application	:	Applied.
Explanation on application of the practice	:	<p>The Group is committed in preserving and protecting the interest and reputation at all times. In this respect, the Whistleblowing Policy was established in July 2010.</p> <p>The main objective of the Whistleblowing Policy and Procedure is to provide an objective point of escalation for employees or stakeholders to disclose in a bona fide manner any suspected acts of wrongdoings without any fear of reprisal. The Whistleblowing Policy and Procedure provides guidelines for the reporting and the investigation of any wrongdoings.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied	
Explanation on application of the practice	:	<ul style="list-style-type: none">• The Group has established a sustainability structure whereby Board of Directors approves and monitors the development of Management's corporate sustainability strategies, policies and performance.• The governance, management and reporting on the Group sustainability are delegate to Sustainability Committee lead by the General manager whom is responsible for providing overall direction, leading strategic decision-making and driving execution for all of the Group's sustainability related matters.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's are principally involved in Oil Palm activities with all its plantation and mill certified under MSOP since 2019, MSPO Surveillance audit on its Mill and Plantations have been carried out every year since 2019. These results are discussed at each levels and issues highlighted would be resolved.</p> <p>The Group communicates and engages with its internal stakeholders through meetings, trainings, events and functions. For external stakeholders, the Group holds meetings, CSR events, AGM, etc.</p> <p>The Group policies on sustainability policies are made available at the Company's website at www.cepatgroup.com.</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 4.3

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	:	<ul style="list-style-type: none">• Sustainability issues has been an agenda in the notice of the Board meetings where the Board proactively discusses on the Group’s ESG issue, progress and Performance.• The Directors also continuously undertake professional trainings to keep abreast with sustainability issue relevant to the Group. The trainings attended by the Directors are set out on Page 28 of the annual report.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

The 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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Although the Group has board and senior management evaluation process and has identified sustainability agenda as one of the key matters to support its long-term strategy and success, the Group at the moment does not have a formal performance evaluation on its board and senior management in addressing the company’s material sustainability risks and opportunities.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
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	:	Departure.
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied.	
Explanation on application of the practice	:	<ul style="list-style-type: none">• The Group has a policies and procedure on “Nomination and election process of Board members “ that is available on the Group website at www.cepatgroup.com• The Nomination Committee has assessed the Board composition and is satisfied that the current size and composition of Directors is adequate to provide a balance mix of skills and experience, as well as the objectivity required in the boardroom.• The Group has carried out annual evaluation on the directors’ performance on 25 October 2021.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.2

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>The Composition of the Board are as follows: Executive Chairman Tan Sri Dr. Mah King Thian@Mah King Thiam (Alternate director: Dr Jordina Mah Siu Yi) Managing Director Dato' Seri Mah King Seng (Alternate director: Mah Li-Na)</p> <p>Independent & Non-Executive Directors Datuk Chua Kim Yin Mr. Chan Kam Leong Puan Wan Salmah binti Wan Abdullah</p> <p>The Board, via Nomination Committee has developed a set of criteria to assess the independence of directors and formalised the current independence assessment practice. Each Independent Director has provided their own declaration of Independence to the Board. The Nomination Committee carried out assessment on the Independent Directors at its meeting held on 24 February 2022. Each Independent Director abstained from deliberation on his own independence assessment. The Board was satisfied that the Independent Directors still maintain their independence.</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 Company does not have a policy on the tenure of Independent Director, however, the Company recognises the MCGG's recommendation on the tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of nine (9) years, the Independent Director may continue to serve on the Board as an Independent Director subject to assessment by the Board and shareholders' approval at the general meeting.</p> <p>Datuk Chua Kim Yin (JP) and Mr. Chang Kam Leong have served the Board for more than 9 years. The Board is of the opinion that they have brought and will continue to bring positive contributions to the Group through their area of expertise and their understanding on the group's business operations. Thus, the Board recommends them to continue to act as Independent Directors of the Company. In the coming Annual General Meeting, the Company will adopt the two-tier voting process in seeking shareholders' approval for both of them to continue to serve as Independent Directors on the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.4 - 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	:	Departure
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 acknowledges the importance of Boardroom diversity. A diversity policy has been established by the Board. The Board endeavours to have at least one woman participate on the Board at all times. The Board endeavours to have diversity of the Board as well as its workforce in terms of experience, qualification, ethnicity and age.</p> <p>The Nomination Committee is responsible to lead the process for the nomination of new Board appointments and making the necessary recommendations. In this respect, the role of the Nomination Committee is detailed in its Terms of Reference, which is accessible for reference on the Group's website at www.cepatgroup.com.</p> <p>In making its recommendations to the Board, the Nomination Committee considers and assess the suitability of a new appointment based on the profile and background of candidate(s).</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 5.6

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	:	The Group's policy on Nomination and Election Process of Board Members provided that a potential candidate for appointment of directors may be proposed by existing director, senior management staff, shareholders or third party referrals.	
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 5.7

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	:	<ul style="list-style-type: none">• The profiles of the Directors including their professional qualifications, work experience and interest in the Group are set out on Page 8 to 11 of the Annual report for shareholders' purview.• The Nomination Committee carried out an annual evaluation and assessment on each Director prior to the Group's Annual General Meeting held on 18 November 2021, including the Directors subject to retirement by rotation namely Tan Sri Dr. Mah King Thian @ Mah King Thiam and Mr. Chan Kam Leong. Their re-elections were noted and supported by the Board. The details of their interest, position or any relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent/constructive judgement to bear on issues before the Board and to act in the best interests of the listed company as a whole are disclosed in various parts of the Annual Report.
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	:	The Nomination Committee is chaired by Datuk Chua Kim Yin (JP), a Senior Independent Non-Executive Director	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<ul style="list-style-type: none"> • The Group is supportive of gender diversity reflected in the Board Charter, where the Nomination Committee will consider the required mix of skills, experience and other qualities, and diversity including gender in considering appointment and re-election of the Directors. • Currently, 20% or one out of five of the Board members is a woman.
<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	:	The Group is supportive of gender diversity reflected in the Diversity policy adopted by the Board which is disclosed on Page 27 to the annual report. The said diversity policy is available at the Group website at www.cepatgroup.com .	
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.

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.

Application	:	Applied.
Explanation on application of the practice	:	<p>The Nomination Committee will conduct annual assessment on the Board and the Board Committees. The assessment and evaluation are properly documented.</p> <p>The criteria used, amongst others, for the annual assessment of individual Directors includes an assessment of their roles, duties, responsibilities, competency, expertise and contribution whereas for the Board and Board Committees, the criteria used includes composition, structure, accountability, responsibilities, adequacy of information and processes.</p> <p>The evaluation was conducted internally, facilitated by the Company Secretary. The evaluation was conducted using questionnaires that were administered by the Company Secretary which employs a self and peer rating assessment model.</p> <p>The Nomination Committee, upon conclusion of the evaluation exercise, was satisfied that the Board and Board Committee composition had fulfilled the criteria required, possess a right blend of knowledge, experience and the appropriate mix of skills. In addition, there was mutual respect amongst individual Directors which contributed to a healthy environment for constructive deliberation and robust decision-making process. Independent Directors were assessed to be objective in exercising their judgment.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

The 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	:	The remuneration policy and procedure can be found at the Company's website at www.cepatgroup.com .	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

The 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	:	The Terms of Reference of Remuneration Committee can be found at the Company’s website at www.cepatgroup.com.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	<p>The aggregate remuneration paid or payable to all Directors of the Company for the financial year ended 31 December 2021 is disclosed on pages 30 to 31 of the Annual Report 2021.</p> <table><tr><th colspan="6">Company</th></tr><tr><th></th><th>Salaries</th><th>Fees</th><th>Bonus</th><th>Allowances</th><th>EPF & SOCSO</th><th>Total</th></tr><tr><th></th><th>RM'000</th><th>RM'000</th><th>RM'000</th><th>RM'000</th><th>RM'000</th><th>RM'000</th></tr><tr><td colspan="7">EXECUTIVE DIRECTORS</td></tr><tr><td>Tan Sri Dr. Mah</td><td>315</td><td>-</td><td>154</td><td>-</td><td>57</td><td>526</td></tr><tr><td>Dato' Seri Mah King Seng</td><td>315</td><td>-</td><td>154</td><td>-</td><td>57</td><td>526</td></tr><tr><td colspan="7">ALTERNATE DIRECTOR</td></tr><tr><td>Ms. Mah Li-Na</td><td>87</td><td>-</td><td>37</td><td>-</td><td>16</td><td>140</td></tr><tr><td>Subtotal</td><td>717</td><td>-</td><td>345</td><td>-</td><td>130</td><td>1,192</td></tr><tr><td colspan="7">NON EXECUTIVE DIRECTORS</td></tr><tr><td>Datuk Chua Kim Yin</td><td>-</td><td>53</td><td>-</td><td>-</td><td>-</td><td>53</td></tr><tr><td>Mr Chan Kam Leong</td><td>-</td><td>52</td><td>-</td><td>-</td><td>-</td><td>52</td></tr><tr><td>Mr Choong Pak Wan</td><td>-</td><td>26</td><td>-</td><td>-</td><td>-</td><td>26</td></tr><tr><td>Puan Wan Salmah Binti Wan Abdullah</td><td>-</td><td>21</td><td>-</td><td>-</td><td>-</td><td>21</td></tr><tr><td>Subtotal</td><td>-</td><td>152</td><td>-</td><td>-</td><td>-</td><td>152</td></tr><tr><td>Total</td><td>717</td><td>152</td><td>345</td><td>-</td><td>130</td><td>1,344</td></tr></table> <table><tr><th colspan="6">Group</th></tr><tr><th></th><th>Salaries</th><th>Fees</th><th>Bonus</th><th>Allowances</th><th>EPF & SOCSO</th><th>Total</th></tr><tr><th></th><th>RM'000</th><th>RM'000</th><th>RM'000</th><th>RM'000</th><th>RM'000</th><th>RM'000</th></tr><tr><td colspan="7">EXECUTIVE DIRECTORS</td></tr><tr><td>Tan Sri Dr. Mah</td><td>629</td><td>31</td><td>309</td><td>41</td><td>114</td><td>1,124</td></tr><tr><td>Dato' Seri Mah King Seng</td><td>629</td><td>-</td><td>309</td><td>41</td><td>114</td><td>1,093</td></tr><tr><td>Directors of Subsidiaries</td><td>629</td><td>-</td><td>310</td><td>40</td><td>-</td><td>979</td></tr><tr><td colspan="7">ALTERNATE DIRECTOR</td></tr><tr><td>Ms Mah Li-Na</td><td>87</td><td>-</td><td>37</td><td>-</td><td>16</td><td>140</td></tr><tr><td>Subtotal</td><td>1,974</td><td>31</td><td>965</td><td>122</td><td>244</td><td>3,336</td></tr><tr><td colspan="7">NON EXECUTIVE DIRECTORS</td></tr><tr><td>Datuk Chua Kim Yin</td><td>-</td><td>53</td><td>-</td><td>-</td><td>-</td><td>53</td></tr><tr><td>Mr Chan Kam Leong</td><td>-</td><td>52</td><td>-</td><td>-</td><td>-</td><td>52</td></tr><tr><td>Mr Choong Pak Wan</td><td>-</td><td>26</td><td>-</td><td>-</td><td>-</td><td>26</td></tr><tr><td>Puan Wan Salmah Binti Wan Abdullah</td><td>-</td><td>21</td><td>-</td><td>-</td><td>-</td><td>21</td></tr><tr><td>Directors of Subsidiaries</td><td>-</td><td>93</td><td>-</td><td>-</td><td>-</td><td>93</td></tr><tr><td>Subtotal</td><td>-</td><td>245</td><td>-</td><td>-</td><td>-</td><td>245</td></tr><tr><td>Total</td><td>1,974</td><td>276</td><td>965</td><td>122</td><td>244</td><td>3,581</td></tr></table>	Company							Salaries	Fees	Bonus	Allowances	EPF & SOCSO	Total		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	EXECUTIVE DIRECTORS							Tan Sri Dr. Mah	315	-	154	-	57	526	Dato' Seri Mah King Seng	315	-	154	-	57	526	ALTERNATE DIRECTOR							Ms. Mah Li-Na	87	-	37	-	16	140	Subtotal	717	-	345	-	130	1,192	NON EXECUTIVE DIRECTORS							Datuk Chua Kim Yin	-	53	-	-	-	53	Mr Chan Kam Leong	-	52	-	-	-	52	Mr Choong Pak Wan	-	26	-	-	-	26	Puan Wan Salmah Binti Wan Abdullah	-	21	-	-	-	21	Subtotal	-	152	-	-	-	152	Total	717	152	345	-	130	1,344	Group							Salaries	Fees	Bonus	Allowances	EPF & SOCSO	Total		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	EXECUTIVE DIRECTORS							Tan Sri Dr. Mah	629	31	309	41	114	1,124	Dato' Seri Mah King Seng	629	-	309	41	114	1,093	Directors of Subsidiaries	629	-	310	40	-	979	ALTERNATE DIRECTOR							Ms Mah Li-Na	87	-	37	-	16	140	Subtotal	1,974	31	965	122	244	3,336	NON EXECUTIVE DIRECTORS							Datuk Chua Kim Yin	-	53	-	-	-	53	Mr Chan Kam Leong	-	52	-	-	-	52	Mr Choong Pak Wan	-	26	-	-	-	26	Puan Wan Salmah Binti Wan Abdullah	-	21	-	-	-	21	Directors of Subsidiaries	-	93	-	-	-	93	Subtotal	-	245	-	-	-	245	Total	1,974	276	965	122	244	3,581
Company																																																																																																																																																																																																																																														
	Salaries	Fees	Bonus	Allowances	EPF & SOCSO	Total																																																																																																																																																																																																																																								
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000																																																																																																																																																																																																																																								
EXECUTIVE DIRECTORS																																																																																																																																																																																																																																														
Tan Sri Dr. Mah	315	-	154	-	57	526																																																																																																																																																																																																																																								
Dato' Seri Mah King Seng	315	-	154	-	57	526																																																																																																																																																																																																																																								
ALTERNATE DIRECTOR																																																																																																																																																																																																																																														
Ms. Mah Li-Na	87	-	37	-	16	140																																																																																																																																																																																																																																								
Subtotal	717	-	345	-	130	1,192																																																																																																																																																																																																																																								
NON EXECUTIVE DIRECTORS																																																																																																																																																																																																																																														
Datuk Chua Kim Yin	-	53	-	-	-	53																																																																																																																																																																																																																																								
Mr Chan Kam Leong	-	52	-	-	-	52																																																																																																																																																																																																																																								
Mr Choong Pak Wan	-	26	-	-	-	26																																																																																																																																																																																																																																								
Puan Wan Salmah Binti Wan Abdullah	-	21	-	-	-	21																																																																																																																																																																																																																																								
Subtotal	-	152	-	-	-	152																																																																																																																																																																																																																																								
Total	717	152	345	-	130	1,344																																																																																																																																																																																																																																								
Group																																																																																																																																																																																																																																														
	Salaries	Fees	Bonus	Allowances	EPF & SOCSO	Total																																																																																																																																																																																																																																								
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000																																																																																																																																																																																																																																								
EXECUTIVE DIRECTORS																																																																																																																																																																																																																																														
Tan Sri Dr. Mah	629	31	309	41	114	1,124																																																																																																																																																																																																																																								
Dato' Seri Mah King Seng	629	-	309	41	114	1,093																																																																																																																																																																																																																																								
Directors of Subsidiaries	629	-	310	40	-	979																																																																																																																																																																																																																																								
ALTERNATE DIRECTOR																																																																																																																																																																																																																																														
Ms Mah Li-Na	87	-	37	-	16	140																																																																																																																																																																																																																																								
Subtotal	1,974	31	965	122	244	3,336																																																																																																																																																																																																																																								
NON EXECUTIVE DIRECTORS																																																																																																																																																																																																																																														
Datuk Chua Kim Yin	-	53	-	-	-	53																																																																																																																																																																																																																																								
Mr Chan Kam Leong	-	52	-	-	-	52																																																																																																																																																																																																																																								
Mr Choong Pak Wan	-	26	-	-	-	26																																																																																																																																																																																																																																								
Puan Wan Salmah Binti Wan Abdullah	-	21	-	-	-	21																																																																																																																																																																																																																																								
Directors of Subsidiaries	-	93	-	-	-	93																																																																																																																																																																																																																																								
Subtotal	-	245	-	-	-	245																																																																																																																																																																																																																																								
Total	1,974	276	965	122	244	3,581																																																																																																																																																																																																																																								

			Company ('000)							Group ('000)						
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	Tan Sri Dr. Mah	Executive Director	0	0	315	155	0	56	526	31	40	629	309	0	114	1,123
2	Dato' Seri Mah King Seng	Executive Director	0	0	315	155	0	56	526	0	40	629	309	0	114	1,092
3	Ms. Mah Li-Na	Alternate Director	0	0	88	37	0	15	140	0	0	88	37	0	16	141
4	Datuk Chua Kim Yin(JP)	Non-Executive Director	53	0	0	0	0	0	53	53	0	0	0	0	0	53
5	Mr. Chan Kam Leong	Non-Executive Director	52	0	0	0	0	0	52	52	0	0	0	0	0	52
6	Mr. Choong Pak Wan	Non-Executive Director	26	0	0	0	0	0	26	26	0	0	0	0	0	26
7	Puan Wan Salmah Binti Wan Abdullah	Non-Executive Director	21	0	0	0	0	0	21	21	0	0	0	0	0	21
8	Director of Subsidiaries	Executive Director	0	0	0	0	0	0	0	0	40	629	310	0	0	979
9	Director of Subsidiaries	Non-Executive Director	0	0	0	0	0	0	0	93	0	0	0	0	0	93
10	TOTAL		152	0	718	347	0	127	1,344	276	160	1,975	965	0	244	3,580
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
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	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	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>Remuneration paid to the three (3) Senior Management who are not Directors of the Company for the financial year ended 31 December 2021 is set out on page 31 of the Annual Report 2021.</p> <p>The remuneration of these three (3) Senior Management of the Company is on an aggregate basis. At this particular juncture, the Board is of the opinion that the disclosure of the Senior Management personnel's names and the various remuneration components (salary, bonus, benefits in-kind, other emoluments) would not be in the best interest of the Group due to confidentiality and security concerns.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Departure.
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied.	
Explanation on application of the practice	:	The Chairman of Audit Committee is Datuk Chua Kim Yin (JP) while the Chairman of the Board is Tan Sri Dr Mah King Thian @ Mah King Thiam	
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	:	Departure.	
Explanation on application of the practice	:		
Explanation for departure	:	No such policy as the Company has no intention to appoint former auditors as Director.	
<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 Board has established policies and procedures on 2013 to assess the suitability and independence of the external auditors and the Audit Committee had at the meeting held on 24 February 2022 assessed the suitability and independence of the external auditors based on the criteria set forth in the policy and procedure.</p> <p>In its assessment, the Audit Committee considered several factors, which included adequacy of experience and knowledge of the relevant accounting standards, ability to meet deadlines, quality and quantity of human resources used to perform the assigned audit, clarity of presentations and quality of reports produced and independence of PFK.</p> <p>PKF confirmed that they have been independent in accordance with the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants, throughout their written confirmation via Audit Planning Memorandum presented to the Audit Committee at a meeting held on 25 October 2021 .</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	Applied.
Explanation on adoption of the practice	:	The members of Audit Committee consist of three (3) Independent Directors.

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	:	All members of the Audit Committee are professional in their area of expertise such as laws, architect and engineering. They are all financially literate and the Audit Committee Chairman is an Associate Member of Certified Practising Accountant Australia. An update on the training programme and Seminars attended by the Directors set out on page 28 of the Annual report.	
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 has established an ongoing process for identifying, evaluating and managing significant risks faced by the Group. This ongoing process which includes updating the system of internal controls when there are changes in the business environment or regulatory guidelines is reviewed by the Board.</p> <p>A formal risk management framework has been established to ensure that structured and consistent approach and methods are practised in the ongoing process of identifying and assessing various critical risks that are considered likely to affect the profitable operation of the business units in the Group. These include operational risk, market risk, legal risk and environmental risk.</p> <p>Details of the Group's Risk Management and Internal Control Framework are set out in its Statement on Risk Management and Internal Control, which is on 49 to page 51 of the Company's Annual Report 2021.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 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	:	Details of the features of risk management and internal control framework, and the adequacy and effectiveness of this framework are contained in the Statement of Risk Management and Internal Control which is on page 49 to page 51 of the Company's Annual Report 2021.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Departure.
Explanation on adoption of the practice	:	

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 Audit Committee is responsible for to review the adequacy of the internal audit scope and plan, and the findings identified by the internal audit function.</p> <p>During the year, the internal audit function was outsourced to KPMG Management & Risk Consulting Sdn. Bhd. whom reports directly to the Audit Committee.</p> <p>The scope of work covered by the internal audit function is determined by the Audit Committee after careful consideration and discussion of the audit plan with the Board. Observations from internal audits were presented to the Audit Committee together with management’s response and proposed action plans for its review. The action plans were then followed up during subsequent internal audits with implementation status reported to the Audit Committee.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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 outsourced its internal audit function KPMG Risk Management & Consulting Sdn. Bhd.</p> <p>The role of the internal audit function, which reports directly to the Audit Committee, is to support the Audit Committee by providing it with independent and objective reports on the adequacy and effectiveness of the system of internal control and the extent of compliance with the procedures and by recommending ways to rectify shortfall and improve the existing control environment in relation to the Group's operations. It submits its findings and recommendations to the Audit Committee and senior management of the Group.</p> <p>The Internal Audit adopts a risk-based approach with focus on effective risk management practices and is guided under International Professional Practices Framework.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 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 Company has implemented a shareholder communications policy to ensure effective communication with its shareholders and other stakeholders.</p> <p>Communication between the Company and its shareholders are done in the following manner:</p> <p>a. Dialogue between Companies and Investors</p> <p>The annual report, quarterly reports and various mandatory announcements are the main channel of information by the Company of its financial performance, operations and corporate developments.</p> <p>The Company's website at www.cepatgroup.com contains vital information concerning the Group which is updated on a regular basis and shareholders are able to put questions to the Company through the website.</p> <p>The Board considers it essential that investors are kept informed of all the latest financial result and developments of the Company and where appropriate, will provide disclosure that is in the best interest of the Company and also of the shareholders. All such reporting information can be obtained from the websites of the Company and Bursa Malaysia Securities Berhad.</p> <p>b. The Annual General Meeting</p> <p>The Annual General Meeting is an important event for the Company as the Board has the opportunity to have a dialogue with the shareholders to present the results and performance of the Group and to address all questions that may arise. Suggestions and comments by shareholders will be noted by the Board for consideration.</p>

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

Intended Outcome

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	:	Departure.	
Explanation on application of the practice	:	The Company is not categorised as a "Large Company" and hence has not adopted integrated reporting based on a globally recognised framework.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied.	
Explanation on application of the practice	:	The Notices of 21 st Annual General Meeting was issued on 26 April 2021 and the date of Annual General Meeting was initially fixed at 25 May 2021, the notice was issued more than 28 days prior to the intended meeting date.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Departure							
Explanation on application of the practice	:								
Explanation for departure	:	<p>During the last Annual General Meeting on 18 November 2021, the following directors were unable to attend:</p> <p>Tan Sri Dr Mah King Thian @ Mah King Thiam Mr. Chan Kam Leong (Chairman of Remuneration Committee) Puan Wan Salmah binti Wan Abdullah</p> <p>For the coming Annual General Meeting, the Board will however continue to ensure its past years practice to have the full Board present at the Annual General Meeting which included the following directors whom are the Chairman of the Board Committees.</p> <table><tr><th>Board Committee</th><th>Chairman</th></tr><tr><td>Audit Committee & Nomination Committee</td><td>Datuk Chua Kim Yin (JP)</td></tr><tr><td>Remuneration Committee</td><td>Mr. Chan Kam Leong</td></tr></table>		Board Committee	Chairman	Audit Committee & Nomination Committee	Datuk Chua Kim Yin (JP)	Remuneration Committee	Mr. Chan Kam Leong
Board Committee	Chairman								
Audit Committee & Nomination Committee	Datuk Chua Kim Yin (JP)								
Remuneration Committee	Mr. Chan Kam Leong								
<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	:	Departure.	
Explanation on application of the practice	:		
Explanation for departure	:	The Group last Annual General Meeting was conducted physically on 18 November 2021.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.4

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

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.

opportunity to pose questions and the questions are responded to.			
Application	:	Applied.	
Explanation on application of the practice	:	<ul style="list-style-type: none">• The Board encourage shareholders to participate in general meeting by raising queries or providing feedbacks.• The Board and management teams strive to answer queries raised during meeting.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.5

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

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

also provide brief reasons on the choice of the meeting platform.		
Application	:	Departure.
Explanation on application of the practice	:	
Explanation for departure	:	The Group last Annual General Meeting was conducted physically on 18 November 2021.
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
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.

Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The minutes of AGM are published on the Company website on www.cepatgroup.com on 21 March 2022.	
		The Group is committed to apply the practice for future general meetings.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT 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.

Click or tap here to enter text.

