

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5184
COMPANY NAME : Cypark Resources Berhad
FINANCIAL YEAR : April 30, 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.

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| Application : | Applied |
| Explanation on application of the practice : | <p>The Board of Directors ("the Board") of Cypark Resources Berhad ("CRB" or "the Company") (collectively with its subsidiaries, "the Group") has overall responsibility for the proper conduct of a Company's business in achieving the objectives and long-term goals of a Company. The Board of CRB strives to ensure that it is practised throughout the Company as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and raise the performance of the Company. The Board is guided by the prevailing legal and regulatory requirements such as the Companies Act 2016 and the Main Market Listing Requirements ("MMLR") as well as the Company's policies such as the Company's Constitution and Board Charter in discharging its fiduciary duties and responsibilities.</p> <p>In setting the Company's strategic aims, the Board relies on the reports provided by the Group Chief Executive Officer ("GCEO") who oversees the entire business and operations of the Group. At each Audit Committee Meeting and Board Meeting, and as and when the need arises, the GCEO will present and brief the Directors on the current operations, issues faced and plans of the Group in order for the Board to be kept abreast on the conduct, business activities and development of the Company, and to discuss and advise the Management in its formulation of the Company's business strategies, both short-term and long-term. Discussions would include the efficient deployment of resources in achieving the objectives to be met. In making its decisions, the Board would be guided by the Company's values, principles and ethos.</p> <p>In the discharge of the Board's duties and responsibilities, the Board has delegated certain duties and responsibilities to 4 other Board Committees with clearly defined terms of reference ("TOR") to assist the Board in discharging its responsibilities:-</p> <ul style="list-style-type: none">(a) Audit Committee ("AC");(b) Nomination Committee ("NC");(c) Remuneration Committee ("RC"); and(d) Risk Management Committee ("RMC"). |

While the Board Committees have their own functions and delegated roles, duties and responsibilities, the respective Board Committee Chairman will report to the Board on the outcome of the Board Committee meetings and resolutions, which would also include the key issues deliberated at the Board Committee meetings.

During the period under review, eight meetings of the Board were held and all Directors have complied with the requirement in respect of the board meeting attendance as provided in the MMLR of Bursa Securities Malaysia Berhad (“**Bursa Securities**”).

The details of Directors’ attendance during the financial period ended 30 April 2023 (“**FPE 2023**”) are set out below:

| Name of Directors | Number of Meetings Attended |
|---|------------------------------------|
| Tan Sri Razali Bin Ismail <i>(redesignated as Executive Director on 6 June 2023)</i> | 6 out of 8 |
| Dato’ Daud Bin Ahmad | 8 out of 8 |
| Encik Headir Bin Mahfidz <i>(redesignated as Non-Independent Non-Executive Director on 14 February 2023, resigned on 12 July 2023)</i> | 8 out of 8 |
| Datuk Megat Abdul Munir Bin Megat Abdullah Rafea | 8 out of 8 |
| Dato’ Dr. Freezailah Bin Che Yeom <i>(resigned on 5 May 2023)</i> | 8 out of 8 |
| Datuk Abdul Malek Bin Abdul Aziz <i>(resigned on 5 May 2023)</i> | 8 out of 8 |
| Puan Norsimah Binti Noordin <i>(appointed on 18 April 2022)</i> | 5 out of 5 |
| Dato’ Ir. Dr. Hasnul Bin Mohamad Salleh <i>(appointed on 7 June 2022)</i> | 5 out of 5 |
| Datuk Mohd Adzahar Bin Abdul Wahid <i>(appointed on 14 February 2023)</i> | 2 out of 2 |
| Encik Muhammad Ashraf Bin Muhammad Amir <i>(appointed on 14 February 2023)</i> | 2 out of 2 |
| Dato’ Hamidah Binti Moris <i>(appointed on 30 March 2023, redesignated as Independent Non-Executive Chair on 6 June 2023)</i> | 0 out of 0 |

To enable the Board to discharge its responsibilities in meeting the goals and objectives of the Company during the FPE 2023, the Board had, amongst others:-

(a) Together with senior management, promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour

The Board and the Management fully understand their collective duties and responsibilities in guiding the business activities of the Group in reaching an optimum balance of a sound and sustainable business operation with an optimal corporate governance framework in order to safeguard shareholders' interests.

In the review of major contracts, the Management would update the Independent Directors, who would probe the Management and provide their expert independent advice accordingly.

The Company has always made an effort to provide full disclosure to its shareholders and stakeholders alike through announcements to Bursa Securities to promote transparency and integrity, which is in line with the Malaysian Code on Corporate Governance ("**MCCG**").

The Company also has a Code of Conduct and Ethics ("**CCE**") which helps to create awareness to the employees on the importance of a safe and ethical working environment which in turn promote a good corporate governance culture in the Company.

(b) Review, challenge and decide on management's proposals for the company, and monitor its implementation by management

Save and except for the Executive Director and the GCEO, all other Directors are non-executive board members who are not involved in the day-to-day management of the Company's business. As such, each of these other Directors had brought about objective judgements and advice drawing from their respective knowledge, expertise and experience, and ensured that the Management has taken into account all appropriate considerations in establishing any strategic plans and business proposals for the Company. All these other Directors would follow up and probe the Management on the implementation of plans and business activities through the GCEO, who is accessible to each and every Director at any time.

(c) Ensure that the strategic plan of the company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability

The Board conducts a review of the Group's overall strategy. The Board ensures that the Company's strategies promote sustainability with attention given particularly to environmental, social and governance aspects of business which underpin sustainability, such as the Company's transformation plan to heighten its competitive ability through continuous research and development efforts which promote operations productivity and cost efficiency.

In order to further support the Group's long-term value creation and sustainability, the Group has engaged in the following events during the FPE 2023:-

- Signing of Memorandum of Understanding with Huawei Technologies (Malaysia) Sdn. Bhd. to collaborate for the purposes of a long-term cooperation on a total of 500MW renewable energy projects in and outside Malaysia on an exclusive basis.
- Completion of the Design, Engineering, Procurement, Construction, Installation, Testing and Commissioning of the 30 MWac Solar Plant at Mukim Sik, Kedah for Viva Solar Sdn. Bhd.
- Issuance of Unrated Perpetual Islamic Medium Term Notes of up to RM500.0 million in Nominal Value Based on the Shariah Principle of Musharakah.
- Award of Feed-in Approval Certificates to Two Subsidiaries by Sustainable Energy Development Authority Malaysia (SEDA).
- Confirmation of Feed-in Tariff Commencement Date from Sustainable Energy Development Authority Malaysia (SEDA) to Cypark Smart Technology Sdn. Bhd., a Wholly-Owned Subsidiary of the Company.
- Signing of Memorandum of Understanding with UTM Holdings Sdn. Bhd. and Selgate Healthcare Sdn. Bhd. to design, develop, construct, manage, maintain and operate a private specialist hospital on Universiti Teknologi Malaysia's land measuring 5 acres in Skudai, Johor.
- Acceptance of the Letter of Award from Selgate Corporation Sdn. Bhd. for the execution and completion of the remaining works for the proposed construction of a 10-storey private hospital together with a 6-storey parking lot on Lot PT. 3939 (Original Lot: Lot PT. 1328 and PT. 1331), Sungai Bakau, Mukim Rawang, Selangor Darul Ehsan.

(d) Supervise and assess management performance to determine whether the business is being properly managed

The AC and the Board monitored management performance through the reported briefings provided by the GCEO on a regular basis, coupled with its own assessment based on:-

- Management's recommendations on key acquisitions and divestments, funding and significant capital expenditure
- The Group's financial performance
- The Group's latest business developments

(e) Ensure there is a sound framework for internal controls and risk management

The Board has delegated the implementation and monitoring of the internal control and risk management system to the RMC, who is entrusted by the Board to assist the Board to identify, evaluate, monitor and manage any relevant major risks faced by the Group that may hinder the achievement of the Company's business objectives through the quarterly reports provided by the Management based on the Company's established Enterprise Risk Management framework ("**ERM Reports**").

(f) Understand the principal risks of the company's business and recognise that business decisions involve the taking of appropriate risks

Through the ERM Reports and the updates by the GCEO, the Board took note and understood the risks surrounding all of the Group's business, and would periodically engage with the Management to ensure that the risks involved in the business decisions undertaken based on pre-determined risk appetite are properly managed or mitigated.

(g) Set the risk appetite and establish a sound framework to manage risk

Risk management is firmly embedded in the Company's management system as the Board firmly believes that risk management is critical for the Company's sustainability and the enhancement of shareholder value. The Corporate Risk Register developed is continuously updated by key management and heads of department to manage identified risks within defined parameters and standards.

The details of the risk management framework are set out in the Statement on Risk Management and Internal Control in the Company's Annual Report.

(h) Ensure that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of board and senior management

The Board through the NC is responsible to ensure that there is an effective and sufficient succession planning for the Company by formulating and reviewing the nomination, selection and succession policies and plans for members of the Board, Board Committees and senior management.

The Board would periodically assess and obtain feedbacks from the Executive Director and GCEO on the performance of key senior management personnel to ensure the Group's continuity in leadership for all key positions. Updates on recruitment, retention of talent and/or succession planning are also included in the quarterly ERM Reports.

(i) Ensure that the company has in place procedures to enable effective communication with stakeholders

The Board strives to ensure there are regular communications with all its stakeholders, regardless of individual or institutional investors, or the wider stakeholders at large, through the timely releases of quarterly financial results, circulars, corporate announcements and annual reports.

The information of the Company can be obtained by accessing the Company's website at <https://www.cypark.com>. Shareholders and investors are also able to access the latest corporate, financial and market information of the Company via Bursa Securities' website at www.bursamalaysia.com.

Shareholders may also communicate with the Company on investor relation matters by emailing ir@cypark.com. The Company will endeavour to reply to enquiries in the shortest possible time.

(j) Ensure that all its directors are able to understand financial statements and form a view on the information presented

The Directors possess the necessary knowledge and expertise to interpret financial statements, including balance sheets, income statements, and cash flow statements and are able to ask pertinent questions and engage in meaningful discussions with Management and Auditors regarding the financial statements during the AC and Board meetings.

(k) Ensure the integrity of the Company’s financial and non-financial reporting

The Board is assisted by the AC in ensuring the Group’s financial reporting processes are effective and the quality of the financial reporting is of high standard. The AC reviewed the quarterly financial reports prior to its recommendation to the Board for approval and announcements to Bursa Securities.

Directors’ Training

The Board has undertaken an assessment of the training needs of each of its Directors and ensured that all its members undergo the necessary training programmes as prescribed and other training programmes to enable the discharge of duties effectively.

During the FPE 2023, the Directors have attended at least one (1) training programme. The training programme and seminar attended by the Directors during the FPE 2023 include:

| Conference/Seminar/ Forum/Discussion/ Workshop/Training | Organisator/Venue | Date |
|---|--------------------------|-------------------------------|
| Maybank Senior Leadership Executive Training x IMD | Maybank | July 2021 to December 2021 |
| SSM National Conference 2021 : Governing Under New Normal | Online | 24 August 2021 |
| University of Cambridge, Judge Business School Circular Economy and Sustainability Strategies | Online to Cambridge, UK | October 2021 to December 2021 |
| Webinar: Withholding Tax & Double Taxation Agreements – Common Mistakes by Taxpayers | Online | 20 October 2021 |
| Seminar Percukaian Kebangsaan | LHDN/ Webinar | 11 November 2021 |
| Cultivate 2.0 Legal Webinar | Online | 13 November 2021 |

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| | SMP Forum 2021 | MIA/ Webinar | 16 November 2021 to 17 November 2021 |
| | Planning & Risk Assessment in Audits of Financial Statements, including Considerations during a Pandemic | AMCAF/ Webinar | 17 November 2021 |
| | An Overview of Collective Investment Schemes: Structure and Regulatory Framework | Online | 18 November 2021 |
| | Key Differences between the Courtroom and Arbitration | Online | 27 November 2021 |
| | Using Analytical Procedures in Audit | AMCAF/ Webinar | 29 November 2021 |
| | Competent Boards ESG Designation | Online to Canada | December 2021 to March 2022 |
| | Practical Auditing Methodology for SMPs | MIA/ Webinar | 6 December 2021 to 8 December 2021 |
| | Audit Completion Procedures | AMCAF/ Webinar | 17 December 2021 |
| | i-Contract Series Program Tawarruq | IBFIM/ Webinar | 20 December 2021 to 22 December 2021 |
| | ISA 220 (Revised), Quality Management for an Audit of Financial Statements | AMCAF/ Webinar | 25 January 2022 |
| | Audit of Assets | AMCAF/ Webinar | 9 February 2022 |
| | MIA Town Hall 2022 - Session 1 (Public Practice Sector) | MIA/ Webinar | 16 February 2022 |
| | Documentation for ISA Compliance | AMCAF/ Webinar | 22 March 2022 |
| | Transfer Pricing Documentation | AMCAF/ Workshop | 23 March 2022 |
| | Unpacking Real Value in NFTs | CPA/ Webinar | 24 March 2022 |
| | Practical MPERS Framework for Inventories, Investment Property, PPE and Intangible Assets Other Than Goodwill | AMCAF/ Webinar | 24 March 2022 |
| | MyMudah Onboarding Session for Members of Malaysian Institute of Accountants | MPC/ Online | 14 April 2022 |
| | Reporting Financial Performance for Public and Private Entities (MFRS/MPERS) | CPA/ Webinar | 15 April 2022 |

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| | Common Tax Issues Faced by SMEs | CPA/ Webinar | 22 April 2022 |
| | Forging an Entrepreneurial “Boleh” Spirit | CPA/ Webinar | 25 April 2022 |
| | Audit of Going Concern Related Parties & Reporting | AMCAF/ Webinar | 27 April 2022 |
| | The Metaverse : Its Economy and Economics | CPA/ Webinar | 28 April 2022 |
| | MIA Town Hall 2022 - Session 3 (All Sectors) | MIA/ Webinar | 25 May 2022 |
| | Understanding Internal Control and Test of Control | AMCAF/ Webinar | 26 May 2022 |
| | ISQM 1 – The Processes (FRAP & MRP) | AMCAF/ Webinar | 20 June 2022 |
| | History Repeats Itself! Learn from the Past Financial Market Crashes and Position for the Future | Webinar | 27 June 2022 |
| | Financial Master Class – How a Non-Fungible Token (NFT) Disturb and Innovates Seven Aspects of Our Life and How to be Part of it | Webinar | 27 June 2022 |
| | Mandatory Accreditation Programme (MAP) | ICDM Virtual Classroom | 4 July 2022 to 6 July 2022 |
| | Mandatory Accreditation Programme (MAP) | ICDM Virtual Classroom | 13 July 2022 to 14 July 2022 |
| | National Tax Conference 2022 | LHDN/ Webinar | 2 August 2022 to 3 August 2022 |
| | Determining Materiality in Audit | AMCAF/ Webinar | 15 August 2022 |
| | International Solar Energy Society (ISES) | KL Convention Centre (KLCC) | 29 August 2022 |
| | SEDA (Sustainable Energy Development Authority) Networking | Glenmarie Golf & Country Club, Shah Alam | 3 September 2022 |
| | Shariah Audit Masterclass for the Cooperative Sector: Methodologies & Execution | USIM/ Online | 6 September 2022 |
| | Practical MPERS for Impairment of Assets | AMCAF/ Webinar | 14 September 2022 |
| | International Standard on Quality Management Webinar 3.0: Powering Ahead | MIA | 29 September 2022 |

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| | Audit of Accounting Estimates | AMCAF/ Webinar | 29 September 2022 |
| | Competent Boards Climate Designation | Online to Canada | October 2022 to January 2023 |
| | Race Towards Net Zero - Fulfilling SDG & ESG Commitments; IGEM (International Genetically Engineered Machined) | KL Convention Centre (KLCC) | 12 October 2022 to 14 October 2022 |
| | International Greentech & Eco Products Exhibition & Conference Malaysia (IGEM) | KLCC | 12 October 2022 to 24 October 2022 |
| | Practical MPERS for Key Section Financial Reporting | AMCAF/ Webinar | 18 October 2022 |
| | CPA Virtual Congress 2022 | CPA | 21 October 2022 |
| | Audit Evidence and Sampling | AMCAF/ Webinar | 28 October 2022 |
| | CPSA Industry Moderation : Fundamentals of Governance and Auditing | IBFIM/ Online | 1 November 2022 |
| | MIA Webinar Series: ISQM Implementation Part 1 - Risk Assessment: Determining Quality Risks for SOQM | MIA/ Webinar | 3 November 2022 to 4 November 2022 |
| | Corporate Reporting: Are You Telling Enough? | MICPA/ AICB Centre of Excellence, Kuala Lumpur | 10 November 2022 |
| | Implementing ISQM 1 and ISA 220® | AMCAF/ Webinar | 14 November 2022 |
| | Environmental, Social and Governance (ESG) The Ways Forward | UTAR/ Webinar | 15 November 2022 |
| | How the Audit Committees and Auditors Can Work Together Towards Reliable Audited Financial Statements | Webinar | 17 November 2022 |
| | Virtual Data and Compliance Report (DCR) 2022 Clinic for MIA Members | MIA | 18 November 2022 |
| | MIA Town Hall 2022/23 - Session 1 (Public Practice Sector) | MIA | 22 November 2022 |
| | MIA Webinar Series: ISQM Implementation Part 2 - Formulating the Firm's ISQM Manual–Policies and Procedures | MIA/ Webinar | 24 November 2022 to 25 November 2022 |

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| | MIA Webinar Series : Preparing Your Firm for the New Standards on Quality Management: ISQM 1 and ISA 220 (Revised) | MIA | 29 November 2022 |
| | Workshop on ISQM1 Guide and Illustrative Manual (IGIM) | MICPA/ AICB Centre of Excellence, Kuala Lumpur | 30 November 2022 |
| | Read, Interpret and Analyze Financial Statements for Company Directors and Company Secretaries (Advanced Level) | Webinar | 30 November 2022 |
| | MIA Webinar Series: ISQM Implementation Part 3 - Forms and Other Documentation | MIA/ Webinar | 1 December 2022 |
| | Companies Act 2016. Practical Guide for Company Secretaries | Webinar | 1 December 2022 |
| | How the Audit Committees and Auditors Can Work Together Towards Reliable Audited Financial Statements | Webinar | 6 December 2022 |
| | Majlis Penyerahan Sijil Perakuan Kelulusan Galakan Tarif 2022 (E-Bidding) (SEDA) | Intercontinental Hotel | 7 December 2022 |
| | MBRS – Annual Return | Webinar | 13 December 2022 |
| | Audit Documentation to Meet PR Expectations | AMCAF/ Webinar | 15 December 2022 |
| | ESG Right GRI Sustainability Professional Training – Certificate of Completion | Kuala Lumpur | 13 to 16 March 2023 |
| | Mandatory Accreditation Programme (MAP) | ICDM Virtual Classroom | 4 April 2023 to 6 April 2023 |
| | Bursa Malaysia FTSE4GOOD ESG Rating Dialogue | Bursa Malaysia | 14 April 2023 |
| | Bursa Malaysia Board Accreditation Program | Institute of Corporate Directors Malaysia (ICDM) | 11 May 2023 to 12 May 2023 |
| | ICDM A Serious Allegation is Reported – What should Boards do? | Institute of Corporate Directors Malaysia (ICDM) | 6 June 2023 |
| | Malaysian Water Association Strategic Asset Management for Water and Wastewater Utilities Conference | Kuala Lumpur | 14 to 15 June 2023 |

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| | INSEAD International Directors Program | INSEAD Campus Singapore | June 2023 to December 2023 |
| Explanation for departure : | | | |
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| <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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Chairman of the Board is responsible for instilling and implementing good corporate governance practices, leadership and effectiveness of the Board. The roles and responsibilities of the Chairman have been specified in the Company's Board Charter available on the Company's website at https://www.cypark.com, which include, among others:</p> <ul style="list-style-type: none">• providing leadership to the Board so that the Board can perform its responsibilities effectively;• setting the board agenda and ensuring that board members receive complete and accurate information in a timely manner;• leading board meetings and discussions;• encouraging active participation and allowing dissenting views to be freely expressed;• managing the interface between board and management;• ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the board as a whole; and• leading the board in establishing and monitoring good corporate governance practices in the company. <p>The Board was led by Tan Sri Razali Bin Ismail, the Executive Chairman of the Company during the period under review, who had provided effective leadership, strategic direction and necessary governance to the Group for FPE 2023.</p> <p>On 6 June 2023, Tan Sri Razali Bin Ismail had been redesignated as an Executive Director of the Company and consequent to his cessation as Chairman of the Board, Dato' Hamidah Binti Moris has been redesignated as the Independent Non-Executive Chair of the Company on the same day thereof to assume the position as the new Chair of the Board.</p> |
| Explanation for departure | : | |
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Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

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| Measure : | | |
| Timeframe : | | |

Intended Outcome

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

Practice 1.3

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The positions of the Chairman and CEO have always been held by different individuals. There is a clear division of responsibilities between the two roles, which is clearly defined in the Board Charter, to ensure that there is an appropriate balance of power and authority.</p> <p>Tan Sri Razali Bin Ismail was the Chairman of the Board during the financial period under review and he led the Board to ensure the effectiveness of the Board, and his executive position lends advantage to act as an informal link between the Independent Directors and the Management as he is better able to control and align management actions to Board decisions and strategies. Also, his knowledge and experience of sustainability measures serve as a competitive advantage to effectively contribute to the growth of the Company. Subsequent to his redesignation as Executive Director and cessation as Chairman of the Board on 6 June 2023, Dato' Hamidah Binti Moris has been designated as an Independent Non-Executive Chair of the Company.</p> <p>Meanwhile, Dato' Daud Bin Ahmad, the GCEO, focuses on the business, organisational effectiveness and day-to-day management of the Group, and actively reports, clarifies and communicates matters to 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

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

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| <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 | : Departure |
| Explanation on application of the practice | : |
| Explanation for departure | : <p>Tan Sri Razali Bin Ismail, previously served as the Chairman of the Board during the period under review, was a member of the RC. Having the Executive Chairman in the RC ensures that remuneration packages commensurate with the relevant evaluatee's merit, qualification and competence, having regard to the Company's operating results, individual performance and comparable market statistics.</p> <p>Up until 6 June 2023, there were 3 other Independent Non-Executive Directors and 1 Non-Independent Non-Executive Director for check and balance to ensure there is no bias.</p> <p>On 6 June 2023, Tan Sri Razali Bin Ismail has been redesignated as an Executive Director of the Company, leading to his cessation as Chairman of the Board. As a result of this change, Dato' Hamidah Binti Moris has been redesignated as the Independent Non-Executive Chair of the Company on the same day. Dato' Hamidah Binti Moris has taken on the role of the new Chair of the Board, assuming the responsibilities associated with this position.</p> <p>Dato' Hamidah Binti Moris is currently not appointed as a member of any Board Committees.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure | : The Company has no intention of appointing Dato' Hamidah Binti Moris, the Chair of the Board, as a member of the AC, NC, or RC. |
| Timeframe | : Within 1 year |

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Company is supported by 2 suitably qualified and competent Company Secretaries. Both Company Secretaries are qualified Chartered Secretaries under Section 235(2)(a) of the Companies Act 2016 registered with the Companies Commission of Malaysia (“CCM”) and are Fellow members of the Malaysian Association of the Institute of Chartered Secretaries and Administrators (“MAICSA”). The Company Secretaries are external company secretaries from Securities Services (Holdings) Sdn. Bhd. with vast knowledge and experience from being in public practice and is supported by a dedicated team of company secretarial personnel.</p> <p>The Company Secretaries support the Board and the relevant Board Committees to ensure their effective functioning in accordance with their TOR and best practices, and in managing the corporate governance framework of the Company. The Company Secretaries are also responsible to advise the Directors on their fiduciary and statutory duties, as well as corporate disclosures and compliances with the Companies Act 2016, the Company’s Constitution, the Bursa Securities MMLR, the MCCG, adopted policies, and other pertinent regulations governing the Company, including guiding the Board towards the necessary compliances.</p> <p>The Company Secretaries also update the Board on changes in the regulatory requirements to ensure correct procedures are followed and the Company remains compliant with the relevant rules and regulatory requirements.</p> <p>The Company Secretaries are also acting as the official liaison party for the Company to prepare, and submit statutory documents to the CCM. They will ensure that any change in the Company’s statutory information will be notified to the CCM in the relevant prescribed forms in a timely manner.</p> <p>The Company Secretaries are responsible in arranging meetings of Directors and shareholders. This involves the preparation of agenda, issuance of proper notices of meetings, and taking and producing minutes to record the business transacted at the meetings and the decisions taken in a timely manner.</p> |

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| | <p>At least one of the Company Secretaries attended the Seventeenth Annual General Meeting (“AGM”) held on 28 March 2022 and the Extraordinary General Meeting (“EGM”) held on 27 December 2022 as well as all Board and Board Committee meetings during the FPE 2023. The Company Secretaries ensured that all deliberations at the AGM and all Board and Board Committee meetings are well minuted for the Board’s reference and for action plans to be communicated to the Management to work on and to report back to the Board. During the Seventeenth AGM and EGM, the Company Secretaries coordinated with the Management and Share Registrar or Poll Administrator to manage the processes of the meeting and ensured orderly proceedings at the Broadcast Venue, including the conduct of the poll taken on all resolutions tabled at the general meetings.</p> <p>The Company Secretaries also update the Board on the Directors’ Resolutions in Writing passed, Directors’ dealings pursuant to Chapter 14 of the MMLR, announcements made to Bursa Securities and circulars or correspondences from Bursa Malaysia Berhad, at every scheduled Board meeting during the year, as well as the changes in the regulatory requirements.</p> <p>Furthermore, the Company Secretaries would send a memo to the Board and affected persons on closed period dealing and process and procedure to aid them in complying with the MMLR.</p> <p>The Company Secretaries had and will continue to constantly keep themselves abreast on matters concerning company law, the capital market, corporate governance, and other pertinent matters, and with changes in the regulatory environment, through continuous training and industry updates. They have also attended many relevant continuous professional development programmes as required by MAICSA for practicing Chartered Secretaries.</p> <p>The Board is satisfied with the performance and support rendered by the Company Secretaries who play a vital role to the Board in discharging its function and duties.</p> |
| Explanation for departure : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure : | |
| Timeframe : | |

Intended Outcome

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

Practice 1.6

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>To facilitate the Board's time planning, the annual meeting calendar is prepared and circulated in advance of each new year. The calendar provides the Board with scheduled dates for meetings of the Board and Board Committees and the AGM.</p> <p>In facilitating Board/Board Committee meetings, notices of meetings together with the agenda, minutes of previous meetings, and other relevant supporting papers are provided and circulated to the Board and Board Committees at least five (5) business days in advance of each meeting. All Directors were able review the information provided, to make enquiries and to obtain further information and clarification, if necessary. The Management and professional advisers are invited to attend meetings to provide additional insights and professional views, advice and explanation on specific items on the meeting agenda, where necessary.</p> <p>Minutes of meetings are circulated to the Board and Board Committees in a timely manner and signed by the respective Chairmen as a correct record of the proceedings of the meetings based on confirmation from the Board and 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

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.

| | | |
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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board Charter serves as a primary reference for prospective and existing Board members of their fiduciary duties and the functions of the Board Committees as well as the Boards of the respective subsidiary companies within the Group. It sets out amongst other things, the key values, principles and ethos of the Company. The Board Charter is reviewed as and when necessary.</p> <p>The Board has established clear functions reserved for the Board and those delegated to the Management and this is documented in the Board Charter, which is published on the Company's website at https://www.cypark.com. The Board Charter adopted by the Board sets out the Company's goals and outlines the Board's roles and responsibilities, providing insights and guidance to the Board and the Management concerning their roles and division of responsibilities.</p> <p>The Board keeps itself abreast of the responsibilities delegated to each Board Committee, and matters deliberated at each Board Committee meeting through the minutes of the Board Committee meetings and reports from the respective Board Committee chairmen, which are presented to the Board during Board meetings at the appropriate regular intervals.</p> <p>Prior to his resignation on 5 May 2023, Dato' Dr. Freezailah Bin Che Yeom was identified to be the Senior Independent Director, who acts as –</p> <ul style="list-style-type: none">i. a sounding board for the Executive Chairman;ii. an intermediary for other Directors where necessary; andiii. the point of contact for shareholders and other stakeholders. |
| Explanation for departure | : | |

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| <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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>There is an established Code of Conduct and Ethics ("CCE") to articulate acceptable practices, which guides the behavior of directors, management and employees. The Board, the Management, and other employees and stakeholders are clear on what is considered acceptable behavior and practice in the Company through the CCE's policies, which are integrated into company-wide management practices. The Board together with the Management, had ensured the implementation of the CCE's policies and procedures, which include managing conflicts of interest, and preventing the abuse of power, corruption, insider trading and money laundering.</p> <p>The CCE covers, amongst others, the following matters:-</p> <ul style="list-style-type: none">• Conflict of Interest• Gift and Hospitality• Integrity and Professionalism• Confidentiality• Group Assets• Reporting Illegal or Non-Compliant Conduct• Compliance with Laws and Regulations <p>The CCE is available on the Company's website at https://www.cypark.com and would be periodically reviewed by the Board to ensure its relevance.</p> <p>The Company has also established and implemented an Anti-Bribery and Corruption Policy, which governs the prevention of corruption and unethical practices within the Company and in compliance with the Malaysian Anti-Corruption Commission Act ("MACC Act").</p> |
| Explanation for departure | : | |

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| <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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Company recognises that any genuine commitment to detecting and preventing actual or suspected unethical, unlawful, illegal, wrongful or other improper conduct must include a mechanism whereby employees and other stakeholders can report their concerns freely without fear of reprisal or intimidation.</p> <p>In view thereof, the Board has adopted and implemented a Whistleblowing Policy to encourage employees to report genuine concerns in relation to breach of a legal obligation (including negligence, criminal activity, breach of contract and breach of law), miscarriage of justice, danger to health and safety or to the environment and the cover-up of any of these in the workplace. The Whistleblowing Policy also sets out avenues where legitimate concerns can be objectively investigated and addressed. Individuals would be able to raise concerns about illegal, unethical or questionable practices in confidence and without the risk of reprisal. Under the Whistleblowing Policy, a whistleblower will be accorded with protection of confidentiality of identity, to the extent reasonably practicable.</p> <p>The Whistleblowing Policy also sets out detailed procedures on how to make a complaint, the procedures after a complaint is received and provides general information about whistleblowing and whistleblower protection.</p> <p>The Whistleblowing Policy is accessible to the public on the Company's website at https://www.cypark.com.</p> |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |

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| 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board is committed to developing the Company, being the pioneering developer and provider in integrated renewable energy, construction and engineering, green technology and environmental services, and waste management and waste-to-energy, into a long term, sustainable business that delivers value for all the Company's stakeholders including employees, clients, suppliers, business partners, shareholders and the wider environment and community.</p> <p>The Board is responsible to deliver sustainable value to the stakeholders, while the management team providing its assistance by overseeing the implementation of the principles, policies, objectives and strategies of the Group. In addition, the management team also facilitate in the overseeing and managing of the material risks and opportunities that may impact business continuity, market competitiveness, the environment and the communities in which the Group operates in.</p> <p>To further enhance the Company's sustainability reporting and governance, the Company has plans to establish a Sustainability Committee that reports directly to the Board, overseeing the implementation of sustainability initiatives and being accountable for the Company's sustainability performance.</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> | | |

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| 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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Board acknowledges the significance of having regular engagement with both internal and external stakeholders who have influence or are influenced by the Group’s operations. Through stakeholders’ engagement, the Board is able to gain a better understanding of the needs and expectations of various stakeholders to strategise sustainability targets and priorities.</p> <p>The Company’s sustainability strategies, priorities and targets as well as performance against these targets for FPE 2023 are described in the Sustainability Statement in the Company’s Annual Report.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 4.3

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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | To enhance their understanding of sustainability issues, including climate-related risks and opportunities, the Directors have actively participated in training sessions focused on Environmental, Social, and Governance risks. These training sessions aim to provide the Directors with the necessary knowledge and insights to address sustainability matters pertaining to the Company and its operations. The Board is committed to continuously engaging with subject matter experts and further attending training programs to stay informed and up-to-date on emerging sustainability trends and practices. | |
| 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.

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| Application | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | For the performance evaluation carried out for FPE 2023, the NC did not assess the performance of the Board in addressing sustainability risks and opportunities. | |
| | | In line with best practise as per MCCG, additional review in performance evaluations of the Board in addressing the Company's material sustainability risks and opportunities will be included in the annual performance evaluation moving forward. | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | Moving forward, the Company will include an assessment of material sustainability risks and opportunities in its performance evaluations. | |
| Timeframe | : | Within 1 year | |

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.

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| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | |

Intended Outcome

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

Practice 5.1

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The NC oversees the overall composition of the Board in terms of size, the mix of skills, experience and core competencies and the balance between Executive Directors, Non-Executive Directors and Independent Directors.</p> <p>The effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board and the contribution of the Board's various committees will be assessed on an annual basis.</p> <p>In addition, the Board Charter provides that the tenure of an Independent Director can exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. If the Board intends to retain an Independent Director beyond nine years, it should justify and seek annual shareholders' approval through a two-tier voting process. Save for Datuk Megat Abdul Munir Bin Megat Abdullah Rafaie, who has served as an Independent Director of the Company since 1 August 2012, there is no Independent Director whose tenure has exceeded nine (9) years.</p> <p>The annual re-election of retiring Directors has always been contingent on a satisfactory evaluation of the Director's performance and contribution to 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 5.2

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 Board currently has eight (8) members comprising two (2) Executive Directors, five (5) Independent Non-Executive Directors (“INED”) and one (1) Non-Independent Non-Executive Director (“NINED”). This strong and independent element brings an objective and independent judgment to the decision-making process of the Board and is vital to the effective stewardship of the Group.</p> <p>All five (5) Independent Non-Executive Directors who represent two third (2/3) of the Board are independent of management and free from any businesses or relationships which could materially interfere with the exercise of their independent judgments.</p> <p>There is proper balance in the Board with the presence of the five (5) Independent Directors, being a majority of the Board. They play a key role in providing unbiased and independent views and advice, contributing their knowledge and experience toward the formulation of policies and in the decision-making process. The Board structure ensures that no individual or group of individuals dominates the Board’s decision-making process. Although all the Directors have equal responsibility for the Company and the Group’s operations, and the roles of the Independent Directors are particularly important in ensuring that the strategies proposed by the Executive Directors are deliberated on and have taken into account the best interest of the Company, as well as the interests of shareholders, employees, customers, suppliers and the community.</p> <p>The Board undertakes an assessment of its independent directors annually. Some of the criteria in the assessment include the following:-</p> <ul style="list-style-type: none">• continue to fulfill the definition of an independent director as set out under Paragraph 1.01 of the Bursa Securities MMLR;• never engaged in any transaction with the Group under circumstances as prescribed by Bursa Securities;• not accepted compensation from the Group, other than compensation for board service for the current FPE 2023; and |

| | |
|--|---|
| | <ul style="list-style-type: none"> not having relationship which would interfere with the exercise of independent judgement in carrying out the function as a Director or a member of Board Committee. |
| Explanation for departure : | |
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| <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 an Independent Director (“ID”) may exceed a cumulative term of nine (9) years as disclosed in the Board Charter. However, upon completion of the nine (9) years, the ID may continue to serve on the Board subject to his re-designation as Non-Independent Director. In the event the Director is to remain designated as an ID, the Board shall first justify and obtain shareholders’ approval for such retention.</p> <p>Datuk Megat Abdul Munir Bin Megat Abdullah Rafaie, who has been appointed since 1 August 2012, has served as an ID for more than nine (9) years.</p> <p>In line with this Practice, Datuk Megat Abdul Munir Bin Megat Abdullah Rafaie will resign as a Director of the Company at the conclusion of the forthcoming Eighteenth AGM.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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.

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| 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board endeavours to ensure that it consists of individuals with a diverse background equipped with professional and technical knowledge to effectively carry out its roles as the representative to the interests of shareholders. The qualifications for Board membership are the ability to make sensible business decisions and recommendations, an entrepreneurial talent for contributing to the creation of shareholder value, the ability to see the wider picture, to raise constructive queries, and to promulgate high ethical standards, while at the same time maintaining sound practical sense, and putting in the commitment to furthering the interests of shareholders and the achievement of the Company's goals.</p> <p>In appointing an appropriate individual to the Board, the NC will first consider and recommend to the Board the suitable candidate for directorship taking into consideration the candidate's experience, competency, character, time commitment, integrity and potential contribution to the Company. In the case of candidates for the position of ID, the NC will also evaluate the candidate's ability to discharge responsibilities and functions as expected from an ID. Upon appointment to the Board, all new Directors would undergo a comprehensive induction programme to fully understand the operations of the Group and also the expectation the Company has of him/her.</p> <p>There were 5 Directors appointed to the Board during FPE 2023, namely:-</p> <ul style="list-style-type: none">• Puan Norsimah Binti Noordin (<i>Independent Non-Executive Director</i>)• Dato' Ir. Dr. Hasnul Bin Mohamad Salleh (<i>Independent Non-Executive Director</i>)• Datuk Mohd Adzahar Bin Abdul Wahid (<i>Independent Non-Executive Director</i>)• Encik Muhammad Ashraf Bin Muhammad Amir (<i>Non-Independent Non-Executive Director</i>) |

| | | |
|--|--|--|
| | <ul style="list-style-type: none"> • Dato' Hamidah Binti Moris (<i>Independent Non-Executive Chair</i>) <p>The Board has reviewed its composition against the Company's requirements of its Board and is satisfied that the Board composition is well diversified to better reflects the realities of the society, strengthens strategy formulation and the overall credibility of the Company.</p> <p>The Board has on 23 June 2022 adopted a Directors' Fit and Proper Policy which serves as a guide to the NC and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking for re-election. The Directors' Fit and Proper Policy helps to promote greater transparency on the criteria for board appointments and ensure each of the Directors has the necessary fit and proper criteria to effectively discharge his/her role as a Director of the Group.</p> <p>The Directors' Fit & Proper Policy is available on the Company's website at https://www.cypark.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

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.

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| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <p>During the period under review, the Board had approved the appointment of the following persons as Directors of the Company based on the recommendation from the existing Directors, Management and shareholders:-</p> <ul style="list-style-type: none">• Puan Norsimah Binti Noordin (<i>Independent Non-Executive Director</i>)• Dato' Ir. Dr. Hasnul Bin Mohamad Salleh (<i>Independent Non-Executive Director</i>)• Datuk Mohd Adzahar Bin Abdul Wahid (<i>Independent Non-Executive Director</i>)• Encik Muhammad Ashraf Bin Muhammad Amir (<i>Non-Independent Non-Executive Director</i>)• Dato' Hamidah Binti Moris (<i>Independent Non-Executive Chair</i>) <p>The Board together with the senior management would consider various sources, including independent sources if relevant, if it wishes to search for appropriate candidates to fulfil Board positions. The NC would assess their suitability based on the relevant criteria as may be identified by the NC from time to time.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. |
| Timeframe | : | Choose an item. |

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board of Directors' Profile section of the Annual Report discloses the Directors' name, age, nationality, gender, qualification, working experience, directorship in other listed companies, length of service, date of appointment and any conflict of interest in the Company.</p> <p>The performance of retiring Directors recommended for re-election at the AGM would be assessed through the Board's annual evaluation (including the independence of Independent Non-Executive Directors) as guided by the Directors' Fit and Proper Policy. A statement by the Board and NC being satisfied with the performance and effectiveness of the retiring Directors who offered themselves for re-election at the AGM has been stated in the notes accompanying the Notice of Eighteenth AGM.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | The Chairman of the NC is Datuk Megat Abdul Munir Bin Megat Abdullah Rafaie, an Independent Director of the Company. Information on Datuk Megat Abdul Munir Bin Megat Abdullah Rafaie is disclosed under the Board of Directors' Profile section in the Annual Report. | |
| Explanation for departure | : | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

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|--|---|--|
| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <p>Currently, the Board consists of two (2) women Directors, accounting for 25% of the total eight (8) Directors. While there is no specific policy in place to establish targets for women candidates, the selection and appointment process overseen by the NC prioritises a well-balanced composition of Directors with diverse skills and experience. The NC considers the competencies of candidates and their ability to effectively contribute to the Company's responsibilities, as well as their commitment and availability.</p> <p>The Company recognises the value of diversity, including gender diversity, in the boardroom and the workforce and encourages diversity in the Board's composition and throughout the organisation to ensure a broad range of skills and talents for effective business operations.</p> <p>The Board is mindful of the target of at least 30% women directors and has taken the step of appointing Puan Norsimah Binti Noordin and Dato' Hamidah Binti Moris as Directors on 18 April 2022 and 30 March 2023, respectively.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | The Board through the NC will take steps to ensure that women candidates are sought as part of its recruitment exercise with the aim of eventually to achieve the target of 30% female representation on the Board. Nonetheless, the Board will achieve 30% female representation target upon the resignation of Tan Sri Razali Bin Ismail and Datuk Megat Abdul Munir Bin Megat Abdullah Rafaie from the Board on 30 September 2023 and 26 October 2023 respectively. |
| Timeframe | : | Within 1 year |

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.

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| Application | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | Currently, Company does not have a specific policy on gender diversity. While the Board recognises that a diverse Board may offer greater depth and breadth and contribute towards constructive debates, which lead to better decisions, the primary consideration for the appointment of Directors to the Board are based on objective criteria with reference to a candidate's skills, experience, core competencies, background and personal qualities. | |
| | | The Company also practices non-discrimination in all forms, whether based on experience, skills, competence, age, gender, ethnicity or religion and the Board's commitment to diversity permeates throughout all levels of the organisation, which is evident in the participation of 25% female Directors and more than 50% female in the Company's total employees. | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | The Company intends to and is in the process of adopting a Diversity, Equality and Inclusivity Policy that will apply to the Board and all employees to represent the Company's dedication to both enhancing the effectiveness of the Board through diversity and creating a workplace where everyone feels valued and included. | |
| Timeframe | : | Within 1 year | |

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.

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| <i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i> | |
| Application | : Applied |
| Explanation on application of the practice | : <p>The NC recognises the importance of evaluating the Board, the Committee and the individual Directors as one of its primary responsibilities to ensure that the Board is operating efficiently and effectively.</p> <p>During the FPE 2023, the Board, through the NC, has conducted the following annual assessments to determine the effectiveness of the Board, its Committees and each individual Director:-</p> <ul style="list-style-type: none">(i) Directors' self/peer evaluation;(ii) Board and Board Committee performance evaluation;(iii) Board Skills Matrix;(iv) AC members' peer evaluation; and(v) Assessment of Independent Directors. <p>The current system of assessment is as described below:-</p> <p>(a) Directors' self/peer assessment and Board and Board Committee performance evaluation</p> <p>The annual assessment commences with the completion of 2 sets of comprehensive assessment forms detailing all assessment criteria which must be completed by each Director on their own performance as well as the performance of all other Directors, the Board, and Board Committees during the financial year. Such assessment form will then be submitted to the Company Secretaries confidentially who will then table the consolidated results to the NC. Criteria for the self/peer assessment include ratings on their own knowledge, contribution, performance, calibre and commitment. Criteria for the assessment of the performance of the Board as a whole and the Board committees cover Board composition, Board processes and activities,</p> |

accountability as well as the fulfilment of duties and responsibilities.

The NC and the Board had reviewed the assessment criteria against the latest requirements of the Company and as guided by the Bursa Securities' Corporate Governance Guide. The assessment forms will be reviewed by the NC and the Board as and when the need arises.

(b) Board Skills Matrix

The annual assessment commences with the completion of a set of comprehensive assessment forms detailing all assessment criteria which must be completed by all NC members on the required mix of skills and experience and other qualities, including core competencies of the directors. This assessment was completed by the NC collectively for the FPE 2023.

(c) AC members' peer evaluation

The annual assessment commences with the completion of a set of comprehensive assessment form detailing all assessment criteria which must be completed by each AC member on the performance of their AC peers during the financial year. Such assessment form will then be submitted to the Company Secretaries confidentially who will table the consolidated results to the NC. Criteria for the assessment include ratings on the AC members' knowledge, contribution, performance, calibre and commitment.

(d) Assessment of Independent Directors

All Independent Directors has signed an undertaking/confirmation letter that they remain independent. The NC had considered each Independent Director's independence and advised the Board accordingly.

During the FPE 2023, the assessments were facilitated by the Company Secretaries making references to the guides available. All results were reported to the Board for notation, discussion and further improvements. Based on the aforesaid evaluations conducted for the FPE 2023, the NC and the Board were satisfied with the performance of each Director, the Board as a whole, and the Board Committees.

Other than the assessment of Independent Directors, all other assessment forms are in the format of a questionnaire with 4-point Likert scale and dichotomous rating scale which enables the Directors to complete the assessment forms efficiently and can be consolidated in a straight forward manner. As such, the Directors will be able to visualise and focus on the aspects where improvements are needed.

| | | |
|--|--|--|
| 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 recognises the importance to ensure that the remuneration and incentives for the INEDs do not conflict with their obligation to bring objectivity and independent judgement on matters discussed at Board meetings as well as to ensure that the remuneration package for the executive directors and senior management is fair and take into account the complexity of the Company's business and individual's responsibilities.</p> <p>The Policies and Procedures to Determine the Remuneration of Directors and Senior Management is available on the Company's website at https://www.cypark.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 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 Board has established a RC which comprises of majority INEDs. The RC is responsible for making recommendations to the Board on the appropriate remuneration packages and benefits based on Directors' skills, technical know-how, experiences and capabilities and to review the respective annual remuneration packages. The TOR of the RC is available on the Company's website at https://www.cypark.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 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 detailed disclosure on named basis for the remuneration of individual Directors are set out in the table below. |

| No | Name | Directorate | Company ('000) | | | | | | | Group ('000) | | | | | | |
|----|---|--|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|
| | | | Fee | Allowance | Salary | Bonus | Benefits-in-kind | Other emoluments | Total | Fee | Allowance | Salary | Bonus | Benefits-in-kind | Other emoluments | Total |
| 1 | Dato' Hamidah Binti Moris | Independent Director | 7 | - | - | - | - | - | 7 | - | - | - | - | - | - | - |
| 2 | Tan Sri Razali Bin Ismail | Executive Director | - | - | 4,860 | 1,350 | - | 521 | 6,731 | - | - | - | - | - | - | - |
| 3 | Dato' Daud Bin Ahmad | Executive Director | - | - | 4,410 | 1,191 | - | 630 | 6,231 | - | - | - | - | - | - | - |
| 4 | Encik Headir Bin Mahfidz | Non-Executive Non-Independent Director | 313 | - | - | - | - | - | 313 | - | - | - | - | - | - | - |
| 5 | Datuk Megat Abdul Munir Bin Megat Abdullah Rafaie | Independent Director | 285 | - | - | - | - | - | 285 | - | - | - | - | - | - | - |
| 6 | Puan Norsimah Binti Noordin | Independent Director | 87 | - | - | - | - | - | 87 | - | - | - | - | - | - | - |
| 7 | Dato' Ir. Dr. Hasnul Bin Mohamad Salleh | Independent Director | 76 | - | - | - | - | - | 76 | - | - | - | - | - | - | - |
| 8 | Datuk Mohd Adzahar Bin Abdul Wahid | Independent Director | 18 | - | - | - | - | - | 18 | - | - | - | - | - | - | - |
| 9 | Encik Muhammad Ashraf Bin Muhammad Amir | Non-Executive Non-Independent Director | 18 | - | - | - | - | - | 18 | - | - | - | - | - | - | - |
| 10 | Dato' Dr. Freezailah Bin Che Yeom | Independent Director. | 356 | - | - | - | - | - | 356 | - | - | - | - | - | - | - |
| 11 | Datuk Abdul Malek Bin Abdul Aziz | Independent Director | 238 | - | - | - | - | - | 238 | - | - | - | - | - | - | - |
| 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>The Board has opted not to disclose on a named basis the top five senior management's remuneration in the bands of RM50,000 for the best interest of the Group by virtue that the information is subject to the Personal Data Protection Act 2010, that requires written consent from the respective Senior Management personnel for disclosure of their personal data to the public at large, and taking into consideration the sensitivity, security, and issue of staff morale.</p> <p>Alternatively, the Group disclosed the top three (3) senior management's remuneration on an aggregate basis as follows:-</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; border-bottom: 1px solid black;">RM'000</th> </tr> </thead> <tbody> <tr> <td>Short term employee benefit</td> <td style="text-align: right;">3,623</td> </tr> <tr> <td>Defined contribution plan</td> <td style="text-align: right;">435</td> </tr> <tr> <td>Other benefits</td> <td style="text-align: right;">4</td> </tr> <tr> <td>Employees' Share Option Scheme</td> <td style="text-align: right;">-</td> </tr> </tbody> </table> | | | RM'000 | Short term employee benefit | 3,623 | Defined contribution plan | 435 | Other benefits | 4 | Employees' Share Option Scheme | - |
| | RM'000 | | | | | | | | | | | | |
| Short term employee benefit | 3,623 | | | | | | | | | | | | |
| Defined contribution plan | 435 | | | | | | | | | | | | |
| Other benefits | 4 | | | | | | | | | | | | |
| Employees' Share Option Scheme | - | | | | | | | | | | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | | | | | | | | | | | |
| Measure | : | The Board will monitor the market practice in respect of such disclosure for future consideration. | | | | | | | | | | | |
| Timeframe | : | Others | This will be reviewed on an annual basis. | | | | | | | | | | |

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

Intended Outcome

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

Practice 8.3 - Step Up

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

| | | |
|--|---|-------------|
| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | |

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The AC is chaired by Datuk Megat Abdul Munir Bin Megat Abdullah Rafaie, who is an Independent Non-Executive Director, while the Chair of the Board is Dato' Hamidah Binti Moris, the Independent Non-Executive Chair. This had ensured that the objectivity of the Board's review of the AC's findings and recommendations is not impaired.</p> <p>Datuk Megat Abdul Munir Bin Megat Abdullah Rafaie is responsible to ensure the overall effectiveness and independence of the AC. Together with other members of the AC, he had ensured among others that–</p> <ul style="list-style-type: none">(a) the AC is fully informed about significant matters related to the Company's audit and its financial statements and addresses these matters;(b) the AC appropriately communicates its insights, views and concerns about relevant transactions and events to internal and external auditors;(c) the AC's concerns on matters that may have an effect on the financial or audit of the company are communicated to the external auditor; and(d) there is co-ordination between internal and external auditors. |
| 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 | : | <p>The Company recognises the importance of upholding independence, especially within the AC. Whilst the Company has not adopted any policy which requires a former key audit partner to observe a cooling-off period of at least three (3) years, to-date, the Company has not appointed a former key audit partner to be a member of the Board. Hence, there is no such person being appointed as a member of the AC.</p> <p>The Company did not and has no intention to appoint any former key audit partner as a member of the AC. In doing so, the Company is able to ensure that the AC is able to operate independently and effectively.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | On 25 August 2023, the Company has adopted the amendments to the AC's Terms of Reference to include a policy mandating a cooling-off period of at least three (3) years for former key audit partners before being appointed as a member of the AC. |
| Timeframe | : | Within 1 year |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The AC is aware that one of its primary responsibilities is to consider the adequacy of the experience and resources of the audit firm, persons assigned to the audit, the audit firm's audit engagements, the size and complexity of the Group as well as the number and experience of supervisory and professional staff assigned to the audit. In that regard, the AC has in place procedures to continuously monitor and undertake an annual assessment of the suitability, objectivity and independence of the external auditors as well as to make subsequent recommendations to the Board on the appointment, re-appointment or termination of the external auditors in compliance with its TOR.</p> <p>The Company has appointed Messrs. Nexia SSY PLT ("Nexia") as the new external auditors of the Group on 5 May 2023, following the cessation of Messrs. Baker Tilly Monteiro Heng PLT ("Baker Tilly") due to disagreement on unreasonable audit fees.</p> <p>In view thereof, no assessment on the suitability, objectivity and independence of the external auditors was conducted in FPE 2023 as the office of the auditors was vacant subsequent to the resignation of Baker Tilly during FPE 2023. Nonetheless, the AC has and will continue to monitor and assess the suitability, objectivity and independence of Nexia moving forward starting from the financial year ending 30 April 2024.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

| | | |
|--|---|--|
| Application | : | Adopted |
| Explanation on adoption of the practice | : | The AC currently comprises 3 Independent Non-Executive Directors namely:- (a) Datuk Megat Abdul Munir Bin Megat Abdullah Rafaie (<i>Chairman</i>); (b) Puan Norsimah Binti Noordin; and (c) Datuk Mohd Adzahar Bin Abdul Wahid. |

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 NC reviewed the term of office and performance of the AC and each of its members and had recommended that they continue in office for another term of 1 year.</p> <p>The Board is satisfied with the AC's performance as the Chairman and its members possess the necessary knowledge, experience, expertise and skills which contributed to the overall effectiveness of the AC. All AC members are financially literate, have sufficient understanding of the Group's business and commercial expertise skills required to discharge their roles and responsibilities effectively in accordance with the TOR of the AC.</p> <p>All AC members have undertaken continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required. These include briefings by the external auditors on changes in accounting and auditing standards.</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, through the RMC, monitors risks and internal control.</p> <p>The duties and responsibilities of the RMC are as follows:-</p> <ul style="list-style-type: none"> • to assess and monitor all risks associated with the operations of the Company. • to develop and implement internal compliance and control systems and procedures to manage risk. • to review and make recommendations to the Board on key risk policies and strategies for the Board's approval. • to recommend or advise the Board on significant proposed changes to risk management policies and strategies. • to monitor the risks associated with all material outsourcing agreements. • to review reports on compliance with risk management policies and recommend action where necessary. <p>With this, the Board can identify, evaluate and manage significant risks faced by the Group.</p> <p>Further details on the Group's internal control are provided under the Statement on Risk Management and Internal Control in the Annual Report.</p> |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

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

Practice 10.2

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

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Board, through the RMC, monitors risks and internal control via an ‘Enterprise Risk Management Continued Risk Identification Monitoring and Reporting to Risk Committee/Board’, which is a comprehensive report tabling the current status, action taken and conclusion of the key risks identified, every quarter during the RMC meetings.</p> <p>Further details on the Group’s internal control are provided under the Statement on Risk Management and Internal Control in the Annual Report.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

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

Practice 10.3 - 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 RMC, which is a stand-alone committee, comprises two (2) INEDs and one (1) NINED namely:-</p> <p><u>INEDs</u></p> <p>(a) Dato' Ir. Dr. Hasnul Bin Mohamad Salleh (Chairman)</p> <p>(b) Datuk Megat Abdul Munir Bin Megat Abdullah Rafaie</p> <p><u>NINED</u></p> <p>(a) Encik Muhammad Ashraf Bin Muhammad Amir</p> |

Intended Outcome

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

Practice 11.1

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

| | | |
|---|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The internal audit function of the Company is carried out by an outsourced professional service firm that assists the AC and the Board in managing risks by providing an independent assessment on the adequacy, efficiency and effectiveness of the Company's risk management and internal control system and processes. The Internal Auditors reports directly to the AC.</p> <p>The AC has the following duties and responsibilities to ensure the internal audit function is effective and able to function independently:-</p> <ul style="list-style-type: none">• reviews the internal audit plan to consider the major findings of internal audit investigations and management's responses, and ensure co-ordination between the internal and external auditors;• reviews the internal audit reports; and• determines the remit of internal audit function that reports directly to the AC. <p>In developing the scope of the internal audit function, the AC was satisfied that –</p> <p>(a) the person responsible for the internal audit has relevant experience, sufficient standing and authority to enable him to discharge his functions effectively;</p> <p>(b) the firm appointed to carry out the Company's internal audit function has sufficient resources and is able to access information to enable it to carry out its role effectively; and</p> <p>(c) the personnel assigned to undertake internal audit have the necessary competency, experience and resources to carry out the function effectively.</p> <p>The Internal Auditors had and would continue to keep abreast with developments in the profession, relevant industry and regulations.</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 internal audit function is outsourced to a professional firm namely Crowe Governance Sdn. Bhd., which reports functionally to the AC with unrestricted access to the AC. The head of the internal audit function or his representative attends the AC meetings to report to the AC on their findings of the effectiveness of the governance, risk management and internal control processes within the Group.</p> <p>The outsourced internal audit function is headed by Mr. Amos Law, who is a Certified Internal Auditor (“CIA”), Chartered Member of the Malaysian Institute of Internal Audit (“CMIIA”), Accredited Internal Quality Assessor/Validator (“IIA”) and holds a Certification in Risk Management Assurance (“CRMA”). A total of four (4) personnel were deployed by Crowe Governance Sdn. Bhd. for the internal audit works during the FPE 2023.</p> <p>All the internal audit personnel involved are free from any relationships or conflicts of interest, which could impair their objectivity and independence. All the employees in Crowe Governance Sdn. Bhd. are required to complete the Independence Declaration Form on annual basis. In addition, all the internal audit personnel involved are required to acknowledge on the Employee Professional Conduct and Ethics Declaration on assignment basis.</p> <p>All the internal audit personnel are guided by International Professional Practices Framework issued by the Institute of Internal Auditors Malaysia in carrying out the internal audit function.</p> |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |

| | | | |
|------------------|---|--|--|
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

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

Practice 12.1

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

| | | |
|---|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board recognises the need for transparency and accountability to the Company's shareholders and regular communication with its shareholders, stakeholders and investors on the performance and major developments in the Company.</p> <p>The AGM is the main forum of dialogue with shareholders as it provides an opportunity for the shareholders to seek and clarify any issues pertaining to the Group and to have a better understanding of the Group's activities and performance. It is also an avenue for the Chairman and Board members to respond to all queries and provide clarification on issues and concerns raised by the shareholders via Securities Services e-Portal's ("SSeP") text box. Both individuals and institutional shareholders are encouraged to communicate with the Board at the AGM and to vote on all resolutions set out in the notice.</p> <p>Other than the forum of the AGM, the Company communicates regularly with shareholders and investors through annual reports, quarterly financial reports and various announcements made via Bursa LINK as the Board acknowledges the importance of accurate and timely dissemination of information to its shareholders, potential investors and the public in general. Shareholders and Investors can obtain the Company's latest announcements in the dedicated website of Bursa Securities at www.bursamalaysia.com or via the Company's website at https://www.cypark.com.</p> <p>The Company's website which is accessible at https://www.cypark.com provides all relevant information on the Company and is accessible by the public. It includes the announcements made by the Company and annual reports. The Board discloses to the public all material information necessary for informed investment and takes reasonable steps to ensure that all shareholders enjoy equal access to such information.</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 | : | | |
| Explanation for departure | : | The Company is not categorised as a "Large Company" under the Malaysian Code on Corporate Governance and hence, has not adopted integrated reporting based on a globally recognised framework. | |
| | : | The Company would review the need and would consider adopting the integrated reporting based on a globally recognised framework, when necessary. | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. | |
| Timeframe | : | Choose an item. | |

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 Seventeenth AGM and EGM were sent to shareholders at least twenty-eight (28) days prior to the date of the meeting to give sufficient time to shareholders to consider the resolutions discussed and decided at the general meetings. The Notices of Seventeenth AGM and EGM, which sets out the businesses to be transacted at the general meetings, were also published in a major local newspaper. The notes to the Notices of Seventeenth AGM and EGM also provide detailed explanation for the proposed resolutions to enable shareholders to make informed decisions in exercising their voting rights. | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 13.2

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

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>All the Directors of the Company attended the Seventeenth AGM and EGM of the Company held on 28 March 2022 and 27 December 2022 virtually to engage with the shareholders proactively.</p> <p>In compliance with the MCCG, all the Directors of the Company will endeavour to attend all future General Meetings and the Chair of the AC, NC and RC will provide meaningful response to questions addressed to them.</p> <p>The Board prepared a set of comprehensive slides for the replies to the questions raised by the Minority Shareholder Watch Group, providing informative answers to shareholders during AGM.</p> <p>The proceedings of the AGM also included a question-and-answer session after the tabling of each item on the Agenda in which the Chairman would invite shareholders to raise questions on the Company's financial statements and other items for adoption at the AGM via SSeP's text box.</p> <p>The GCEO ensured that sufficient opportunities were given to shareholders to raise issues relating to the affairs of the Company and that adequate responses were given. The Chairman of the Board Committees were also readily available to address any question that may be posted by the shareholders to them at the general meetings.</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 Seventeenth AGM of the Company held on 28 March 2022 and Extraordinary General Meeting held on 27 December 2022 were conducted on a virtual basis. The Company has leveraged technology to facilitate greater shareholders' participation and enhance the proceedings of the AGM and EGM of the Company through remote participation via live streaming and online remote voting for the conduct of a poll on the resolutions tabled at the AGM and EGM of the Company.</p> <p>The AGM proceedings and poll voting were conducted entirely through the SSeP platform. The administrative guide with detailed registration and voting procedures was issued to assist the shareholders in participating using the online platform, and the same was also published on the Company's website to encourage shareholders' participation.</p> <p>The Company had put in place information security measures to prevent cyber threats and data breaches.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

Practice 13.4

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

| | |
|--|--|
| <i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i> | |
| Application : | Applied |
| Explanation on application of the practice : | At the Seventeenth AGM and EGM of the Company which were held virtually via SSeP, Dato' Daud Bin Ahmad, being the Chairman of both general meetings, successfully conducted a meaningful engagement between the Board, senior management and shareholders. The shareholders were given opportunities to pose any questions pertaining to the financial and non-financial matters as well as long-term strategies of the Company via SSeP (i.e., submission of typed texts through a text box) provided during the general meetings of the Company. |
| Explanation for departure : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure : | |
| Timeframe : | |

Intended Outcome

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 | : Departure |
| Explanation on application of the practice | : |
| Explanation for departure | : The Company did not make all questions posed by shareholders/proxies/corporate representatives visible at the Seventeenth AGM and EGM. Taking into consideration the Covid-19 pandemic concerns and public health responses as well as the Company's initiative for leveraging technology to facilitate greater shareholders' participation and enhance the proceedings of general meetings, the Company conducted its Seventeenth AGM on 28 March 2022 and EGM on 27 December 2022 via SSeP to facilitate shareholders' remote participation and voting in absentia. The SSeP is accessible to all participating shareholders and allows active participation/engagement of shareholders with the Board and senior management. Despite not making all questions posed by the shareholders/proxies/corporate representatives visible to all participants, relevant questions submitted by shareholders/proxies/corporate representatives prior to the commencement of the general meetings and during the general meetings via SSeP had been read out and responded to by the GCEO during a dedicated question-and-answer session at the meetings to allow interaction between the Directors and the shareholders/proxies/corporate representatives. The Board and Management team strive to answer as many questions as possible with concise answers during the virtual general meetings. |

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

| | | | |
|------------------|---|---|--|
| Measure | : | To uphold the best practice as per the MCGG, the Company intends to make all questions posed by the shareholders/proxies/corporate representatives visible to all participants during the 18 th AGM scheduled to be held on 26 October 2023. | |
| Timeframe | : | Within 1 year | |

Intended Outcome

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

Practice 13.6

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

| | | |
|--|---|---|
| <i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i> | | |
| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | The Company did not circulate the minutes of the Seventeenth AGM and EGM to the shareholders within thirty (30) business days after the conclusion of the general meetings. |
| | | The summary of key matters discussed at the Seventeenth AGM of the Company was uploaded on the corporate website. It is accessible at https://www.cypark.com . |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | To uphold the best practice as per the MCCG, the Company will publish the Minutes of the 18 th AGM minutes scheduled to be held on 26 October 2023 no later than thirty (30) business days after the conclusion of the AGM on the Company's website. |
| Timeframe | : | Within 1 year |

**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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