

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance (“CG”) Overview Statement is presented in accordance with the requirements under Paragraph 15.25(1) and the provisions in the Practice Note 9 of the Main Market Listing Requirement (“MMLR”). The Statement highlights the applications of the key corporate governance practices of the Group during the financial year ended 30 June 2023.

In addition to this CG Overview Statement, the Board has provided detailed disclosures on the application of the Malaysian Code on Corporate Governance practices in the Corporate Governance Report (“CG Report”). Shareholders may download this CG Report through the Company’s website link at https://ekovest.listedcompany.com/statement_corporate_governance.html/

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(I) BOARD RESPONSIBILITIES

The Board understands its principal responsibilities in overseeing management performance and corporate strategies, promoting good governance and risk management, and ensuring effective succession planning and investor relation and corporate reporting of the Group.

Presently, the positions of the Executive Chairman and Managing Director are separated. The Chairman instils good governance practices, leadership and effectiveness of the Board by leading and navigating the Group’s business directions and chairing the board meetings. In contrast, the key responsibilities of the Managing Director are to lead the management team in planning, executing and managing the businesses and operations in the Group.

The Board is supported by two qualified and competent Company Secretaries. The Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators. The Company Secretaries advise the Board regarding compliance with regulatory requirements, guidelines, legislations and the principles of best corporate governance practices. The decisions for appointment and removal of Company Secretaries rest with the Board.

The Board has defined and formalised the Code of Conduct and Ethics (“this Code”). This Code prohibits conflicts of interest, abuse of power, corruption, insider trading and money laundering and the expected actions to be taken and the responsibilities of the Board, Management and staff members towards this Code.

The Board has established the Anti-Corruption and Bribery Policy, Whistleblowing Policy and reporting channel. The Whistleblowing and Anti-Corruption and Bribery Policies are available on the Company’s website. To protect the confidentiality of information and identity of the whistleblower, the Board has assigned the administration of the whistleblowing reporting channel to the Internal Auditor. During the financial year, the Board did not receive any complaints of violation from these whistleblowing reporting channels.

The Board has established Board Committees, namely the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee. The roles, duties and responsibilities of the Board Committees are defined in its terms of reference respectively. These Committees provide greater objectivity and independence in the deliberations of specific agendas and assist the Board in effectively discharging its duties and responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(I) BOARD RESPONSIBILITIES (CONT'D)

The Board meets every quarter, and other meetings are convened as and when necessary. During the financial year under review, a total of 6 Board meetings were held, and the record of attendances of the Directors is as follows:

NAME OF DIRECTORS	TOTAL MEETINGS ATTENDED
Tan Sri Dato' Lim Kang Hoo	6/6
Tan Sri Datuk Seri Lim Keng Cheng	5/6
Dato' Lim Hoe	6/6
Lim Chen Thai	6/6
Kang Hui Ling (Resigned on 1 June 2023)	6/6
Lim Ts-Fei	6/6
Chow Yoon Sam (Resigned on 3 April 2023)	5/5
Dr. Wong Kai Fatt (Resigned on 12 May 2023)	5/5
Lee Wai Kuen	6/6
Jasmine Cheong Chi-May (Appointed on 3 April 2023)	1/1
Dato' Majid Manjit Bin Abdullah (Appointed on 12 May 2023)	1/1
Chin Wai Kit (Appointed on 1 June 2023)	-

The Directors are updated by the Company Secretaries, External and Internal Auditors on changes in the governance and regulatory requirements relating to the Directors' duties and responsibilities. The External Auditors would also brief the Board on changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements.

Following are the training and briefings attended by Board members during the financial year.

NAME OF DIRECTORS	TRAINING	DATE
Tan Sri Dato' Lim Kang Hoo	Amendments to 2022 New Bursa Listing Requirements	19.04.2023
	Roles and Responsibilities of Directors, Board & Board Committees under Listing Requirements and Malaysian Code of Corporate Governance	26.08.2023
Tan Sri Datuk Seri Lim Keng Cheng	Amendments to 2022 New Bursa Listing Requirements	19.04.2023
Dato' Lim Hoe	Amendments to 2022 New Bursa Listing Requirements	19.04.2023
Lim Chen Thai	Amendments to 2022 New Bursa Listing Requirements	19.04.2023
Chin Wai Kit	Amendments to 2022 New Bursa Listing Requirements	19.04.2023
Lim Ts-Fei	Amendments to 2022 New Bursa Listing Requirements	19.04.2023
Jasmine Cheong Chi-May	Amendments to 2022 New Bursa Listing Requirements	19.04.2023
Dato' Majid Manjit Bin Abdullah	Amendments to 2022 New Bursa Listing Requirements	19.04.2023
Lee Wai Kuen	Amendments to 2022 New Bursa Listing Requirements	19.04.2023

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(II) BOARD COMPOSITION

The Board has nine members and two alternative directors. Four of the nine members are executive members, i.e. a Group Executive Chairman, a Managing Director and two (2) Executive Directors. The remaining five members are Independent Non-Executive Directors constituting the majority members of the Board. Also, one-third of the Board members are female directors. The profiles of the members of the Board are set out on pages 20 to 27 of this Annual Report.

The Board recognises and embraces benefit of gender diversity in board composition. This principle is provided in the Board Charter. The appointment of the Board and senior management is based on objective criteria, merit and with due regard for diversity in skills, experience, age and gender.

The Nomination Committee reviewed the composition of the Board, the performance of the Board, Board Committees and individual Directors and the independence status of Independent Directors. The evaluation was conducted by way of self-assessment. Overall, the Board is satisfied with the performance and effectiveness of the Board, Board Committees and individual directors, as well as the composition of the Board members.

The Independent Directors also conducted a self-assessment on their independence. They confirmed that they had met the criteria for independence set out in Chapter 1 of the MMLR, and they are able to exercise independent judgement and act in the interest of the Company objectively.

(III) SUSTAINABILITY

The Group's core sustainability values, initiatives and performance are communicated to all stakeholders through the Sustainability Statements in the Annual Report. The sustainability targets will be evaluated before they are set for the initiatives.

The current key sustainability considerations of the Group are the employees' well-being, health and safety, employment practices, diversity, sustainable construction methods and approaches, compliance, governance and community. (Refer to further details Sustainability Statement in the Annual Report).

Going forward, the Group will set the sustainability target and timeline, and the Board and management's actions and responsibilities for achieving these targets. Upon completing this, the sustainability performance evaluation criteria will be defined for the Board and senior management appraisal.

(IV) REMUNERATION

The remuneration policy defined in the Board Charter provides that all Executive Directors and Senior Management shall be remunerated based on the Group's and individual's performances, responsibilities and market conditions, whilst Independent Director shall be remunerated based on their experience, level of responsibilities assumed in the Board Committees, their skills and expertise they bring to the Board.

The determination of directors' remuneration is subject to Board's approval. The director concerned should abstain from discussing their remuneration. Pursuant to Section 230(1) of the Companies Act 2016, the directors' fees and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. The amount of the Directors' fee for the new financial year proposed for the shareholders' approval at the forthcoming AGM is RM270,000.

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(IV) REMUNERATION (CONT'D)

The Remuneration Committee ("RC") comprises the following Directors, all of whom are Independent Non-Executive Directors:-

NAME OF MEMBER	DESIGNATION	ROLE IN RC
Jasmine Cheong Chi-May (Appointed on 3 April 2023)	Independent Non-Executive Director	Chairlady
Chow Yoon Sam (Resigned on 3 April 2023)	Independent Non-Executive Director	Chairman
Kang Hui Ling (Resigned on 1 June 2023)	Senior Independent Non-Executive Director	Member
Lim Ts-Fei	Independent Non-Executive Director	Member
Dr. Wong Kai Fatt (Resigned on 12 May 2023)	Independent Non-Executive Director	Member
Lee Wai Kuen	Independent Non-Executive Director	Member
Dato' Majid Manjit Bin Abdullah (Appointed on 12 May 2023)	Independent Non-Executive Director	Member
Chin Wai Kit (Appointed on 1 June 2023)	Independent Non-Executive Director	Member

The Remuneration Committee has conducted a meeting to deliberate on the remunerations of the Executive Directors and top five (5) senior management. The details of Directors remuneration for the financial year ended 30 June 2023 are as follows:

INDEPENDENT NON-EXECUTIVE DIRECTORS	REMUNERATION RECEIVED FROM THE GROUP AND THE COMPANY (RM)
Kang Hui Ling (Resigned on 1 June 2023)	57,500*
Lim Ts-Fei	30,000
Dr. Wong Kai Fatt (Resigned on 12 May 2023)	25,000
Chow Yoon Sam (Resigned on 3 April 2023)	50,000*
Lee Wai Kuen	30,000
Jasmine Cheong Chi-May (Appointed on 3 April 2023)	7,500
Dato' Majid Manjit Bin Abdullah (Appointed on 12 May 2023)	35,000*
Chin Wai Kit (Appointed on 1 June 2023)	2,500
Total	237,500

* The director fees of Ms. Kang Hui Ling, Mr. Chow Yoon Sam and Dato' Majid Manjit Bin Abdullah included fees received by them individually from PLS Plantations Berhad. No other Independent Directors received remuneration from other subsidiaries and associated companies of the Group.

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(IV) REMUNERATION (CONT'D)

REMUNERATION RECEIVED FROM THE GROUP AND THE COMPANY	EXECUTIVE DIRECTOR				
	Tan Sri Dato' Lim Kang Hoo (RM)	Tan Sri Datuk Seri Lim Keng Cheng (RM)	Dato' Lim Hoe (RM)	Lim Chen Thai (RM)	Total (RM)
Directors' Fee	60,000	30,000	30,000	30,000	150,000
Allowances	84,000	84,000	-	66,000	234,000
Salaries	840,000	288,000	336,000	310,000	1,774,000
Benefits-in-Kind	53,100	22,700	22,700	20,500	119,000
Defined Contribution Plan	33,600	13,400	12,000	37,200	96,200
Total	1,070,700	438,100	400,700	463,700	2,373,200

Further details of the Executive Directors' remuneration received at the Company and the Group levels respectively are provided in Practice 8.1 of the CG Report.

The remuneration (including salary, bonus, benefits-in-kind and other emoluments) of the top 5 senior management for the financial year 2023 are as follows:

SENIOR MANAGEMENT	RANGE OF REMUNERATION			
	RM250,001 – RM300,000	RM300,001 – RM350,000	RM400,001 – RM450,000	RM451,001 – RM500,000
Jennifer Kuek (Head of Assets Management - Ekovest Capital Sdn Bhd)	-	-	-	√
Tham Beng Choy (Chief Executive Officer - Ekovest Construction Sdn Bhd)	-	-	√	-
Loh Pak Chun (General Manager - Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd)	√	-	-	-
Kharul Anuar Abdul Basit (General Manager - Ekovest Project Management Sdn Bhd)	-	√	-	-
Hizmi Ghazali (General Manager - The Loaf Asia Sdn Bhd)	√	-	-	-

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PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

(I) AUDIT AND RISK MANAGEMENT COMMITTEE ("ARMC")

Presently, the Audit and Risk Management Committee ("ARMC") members comprise independent Non-Executive Directors. Mr. Chin Wai Kit was appointed as the Chair of ARMC on 1 June 2023 following the departure of Ms. Kang Hui Ling, who has served the Board for more than four terms as an Independent Director.

Most ARMC members are financially literate and understand matters under the purview of the ARMC. The review of the terms of office and performance of the ARMC and its members are carried out annually. The ARMC's composition, functions and activities are set out separately under ARMC Report in this Annual Report.

The policy on the assessment of External Auditors is defined in the ARMC's terms of reference. Annually, the ARMC also reviews the appointment, performance and remuneration of the External Auditors before recommending them to the shareholders for re-appointment in the Annual General Meeting. In assessing the External Auditors, the ARMC will consider the adequacy of the firm's resources, quality of service and competency of the staff assigned to the audit, as well as the auditors' independence and fee. As part of the ARMC review processes, the ARMC will obtain written assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The ARMC will convene meetings with the External Auditors and Internal Auditors without the presence of the Executive Directors and employees of the Group if needed to allow the Auditors to exchange their views freely with the ARMC.

(II) RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for overall oversight of risk management in the Group, while the Executive Directors and senior management team are primarily responsible for managing risks in the Group.

The Group recorded a further improvement in revenue after the upliftment of pandemic restrictions in 2021. To take advantage of this recovery further, in addition to strengthening the order books for the construction and sales in other business segments, the Group works closely with the Government to identify new infrastructure projects and to expedite the approval for launching new property development projects.

The Board is satisfied that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group and that the existing internal control and risk management systems are adequate and effective to enable the Group to achieve its business objectives. The details of the Group's systems of risk management and internal control are reported in the Statement on Risk Management and Internal Control in this Annual Report.

The Internal Audit Function is outsourced to IA Essential Sdn Bhd, an internal audit consulting firm. The Internal Auditors have conducted their work with reference to the broad principles of the International Professional Practice Framework of the Institute of Internal Auditors. Besides reviewing the internal control systems, the Internal Auditor also assesses the governance, risk management and anti-corruption practices of the Group. The details of the internal audit function are disclosed in the ARMC Report in this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

(I) COMMUNICATION WITH STAKEHOLDERS

The Group believes that clear and consistent communication with investors promotes a better appreciation of the Company's business and activities and allows the Group's business and prospects to be evaluated appropriately. The Board uses the following means and approaches to communicate with stakeholders:

- i. Annual Report, which contains the financial and operational review of the Group's business, corporate information, and financial statements;
- ii. Announcements to the Bursa Securities;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS (CONT'D)

(I) COMMUNICATION WITH STAKEHOLDERS (CONT'D)

The Group believes that clear and consistent communication with investors promotes a better appreciation of the Company's business and activities and allows the Group's business and prospects to be evaluated appropriately. The Board uses the following means and approaches to communicate with stakeholders: (Cont'd)

- iii. Company website at <https://ekovest.com.my>, where shareholders or investors may access information on the Group under the "Investor Relations" link;
- iv. Shareholders interaction during general meetings; and
- v. Meetings with analysts and fund managers, if required to provide insight into the Group.

(II) CONDUCT OF GENERAL MEETINGS

The Company had issued its notice of AGM twenty-eight (28) days prior to the last AGM meeting. The Board will continue to ensure that the Notice of the AGM is sent to shareholders at least 28 days before the general meeting. Also, the Board will ensure that this Notice contains details of resolutions proposed along with background information and relevant explanatory notes.

The last AGM was held on 9 December 2022 via an online meeting platform at <https://www.digitizevote.my> provided by Dvote Services Sdn. Bhd. The platform provider assured the Board of the cyber hygiene, privacy and protection of the shareholders' data.

During the Q&A session of the last AGM, the shareholders raised 38 questions, and the Board responded to these questions point-by-point. For the benefit of those shareholders who could not attend the AGM, the polling results and summary of the matters discussed during the AGM were announced to Bursa Securities and published on the Company's corporate website.

This Corporate Governance Overview Statement was reviewed and approved by the Board on 23 October 2023.