

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

This corporate governance (“CG”) overview statement is presented in accordance to paragraph 15.25(1) and the provisions in the Practice Note 9 of the Main Market Listing Requirements (“MMLR”) and provides an overview of the key corporate governance practices of the Group during the financial year ended 30 June 2021.

In addition to this CG overview statement, the Board has provided specific disclosures on the application of each Practice in its Corporate Governance Report (“CG Report”) together with the Annual Report of the Company. Shareholders may obtain this CG Report by accessing to Company’s website for further details and are advised to read this CG overview statement together with the CG Report.

In all material aspect, the Company being a Large Company as defined in the MCCG has complied with the Principles and Practices as set out in the MCCG. The explanation for the significant departures of the MCCG practices are reported in the announced CG Report with respect to Practices 4.3 on Board Policy to limit the tenure of Independent Directors to nine (9) years and Practice 11.2 on the adoption of integrated reporting.

### **PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS**

#### **(I) BOARD RESPONSIBILITIES**

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

Presently, the roles of the Group Executive Chairman and Managing Director are assumed by different Directors. Principally, the Group Executive Chairman is responsible for leading the strategic direction of the Group while the Managing Director executing and managing the business and operations in the Group.

The executive roles of the Chairman enable the Group Executive Chairman to align the interest of the board, management and shareholders. Nonetheless, in order to safeguard the interest of minority shareholders, the Board comprises majority Independent Non-Executive Directors to enable greater expression of objective and independent views in the board conducts and meetings.

The Board is supported by qualified and competent Company Secretary to provide sound governance advice for ensuring adherence to regulatory requirements, guidelines, legislations, Board policies and advocate adoption of corporate governance best practices.

All Directors have unrestricted access to the advice and services of the Company Secretary and senior management and may seek independent professional advice, at the Company’s expense, when necessary, in furtherance of their duties. External advisers may also be invited to relevant Board meetings to furnish the Board with explanations and comments on the relevant agenda items tabled at Board meetings or to provide clarification on issues that may be raised by any Directors.

The Group’s Code of Conduct and Ethics aims to set the tone and standards of ethical conducts in the Group in accordance with the provision of the MCCG and to provide guidance to stakeholders on the ethical behaviours to be expected from the Group. It covers its tolerance against conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering and the expected actions to be taken and the responsibilities of the Board, Management and other employees towards this Code.

The Group has established Whistleblowing Policy, reporting channel and anti-corruption framework covering the Anti-Corruption Policy and Framework, the Anti-Bribery & Gratification Guidelines, the on-boarding screening process and contractual safeguards.

Separately, in order to provide greater comfort to whistleblowers about the confidentiality of information and identity reported, the Board has assigned the administration of the whistleblowing reporting channel to Internal Audit function. The Board did not receive any complaint from whistleblower during the financial year.

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

#### (I) BOARD RESPONSIBILITIES (CONT'D)

The Board Committees namely the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee ensure that greater objectivity and independence are provided in the deliberations of specific agenda. The Chairpersons of the respective Board Committees would report to the Board during the Board meetings on matters deliberated in the respective Committees and their proposed actions and recommendations. The ultimate responsibility for the final decision on all matters deliberated at Board Committees are rested with the Board.

The Board meets at least every quarter and other meeting is convened as and when necessary. All the proceedings at the Board meetings are properly recorded and confirmed by the Board members before being signed by the Group Executive Chairman. The Board had devised a schedule of matters that shall be reserved for Board's approval covering, inter alia, the acquisition and disposal of major assets, investment in projects, and corporate exercises which are under the purview of the Bursa Securities or the SC.

During the financial year under review, a total of 9 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	9/9
Tan Sri Datuk Seri Lim Keng Cheng	9/9
Dato' Lim Hoe	9/9
Lim Chen Thai	9/9
Kang Hui Ling	9/9
Lim Ts-Fei	8/9
Chow Yoon Sam	9/9
Dr. Wong Kai Fatt	8/9
Lee Wai Kuen	9/9

The Board recognises the importance to path the way for sustainable growth in the next phase. On this note, during the financial year the Board has explored, identified and evaluated several new investments together with the financial, legal and other professionals.

The Company Secretary updates the Board regularly on any changes to the statutory, corporate and regulatory requirements relating to Directors' duties and responsibilities or the discharge of their duties as Directors. Also, the External Auditors will brief the Board on changes to the Financial Reporting Standards and Malaysian Financial Reporting Standards that affect the Group's financial statements. In addition, the Board members also attend formal trainings to continuously enhancing their skillsets and knowledge. Details of trainings attended by the Directors during the financial year are as follows:

Name of Directors	Trainings	Date
Tan Sri Dato' Lim Kang Hoo	Corporate Liability Framework	25.11.2020
	Navigating ESG Requirements for Growth	21.04.2021
Tan Sri Datuk Seri Lim Keng Cheng	Navigating ESG Requirements for Growth	21.04.2021
Dato' Lim Hoe	Navigating ESG Requirements for Growth	21.04.2021
Lim Chen Thai	Navigating ESG Requirements for Growth	21.04.2021
Kang Hui Ling	2021 Budget Highlights	10.12.2020
	Navigating ESG Requirements for Growth	21.04.2021



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

#### (I) BOARD RESPONSIBILITIES (CONT'D)

The Company Secretary updates the Board regularly on any changes to the statutory, corporate and regulatory requirements relating to Directors' duties and responsibilities or the discharge of their duties as Directors. Also, the External Auditors will brief the Board on changes to the Financial Reporting Standards and Malaysian Financial Reporting Standards that affect the Group's financial statements. In addition, the Board members also attend formal trainings to continuously enhancing their skillsets and knowledge. Details of trainings attended by the Directors during the financial year as follows: (Cont'd)

Name of Directors	Trainings	Date
Lim Ts-Fei	Navigating ESG Requirements for Growth	21.04.2021
Chow Yoon Sam	Navigating ESG Requirements for Growth	21.04.2021
Dr. Wong Kai Fatt	Navigating ESG Requirements for Growth	21.04.2021
Lee Wai Kuen	Navigating ESG Requirements for Growth	21.04.2021

#### (II) BOARD COMPOSITION

Following is the summary of the changes in the boardroom during the financial year:

Date	Name	Change in Boardroom
8th Feb 2021	Tan Sri Dato' Lim Kang Hoo	Redesignated as Group Executive Chairman
8th Oct 2020	Kang Hui Ling	Redesignated as member of Nomination and Remuneration Committees
	Lim Ts-Fei	Redesignated as Chairlady of Nomination Committee
	Chow Yoon Sam	Redesignated as Chairman of Remuneration Committee

The current composition of the Board comprises of qualified and experienced individuals and their combined expertise and business experience provides insights and diversity of perspective to lead the Group. The profiles of the members of the Board are set out on pages 20 to 25 of this Annual Report.

As at the date of this statement, 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 in the Board.

In accordance to Board Charter, the maximum tenure of an Independent Non-Executive Director shall not exceed the cumulative term of nine (9) years from the date of first appointment as Director or upon the expiry of the on-going term of appointment as Director whichever is the later. Any extension beyond nine (9) years will require Board justification and shareholder approval unless the said Director wishes to be re-designated as non-independent non-executive Director which shall be decided by the Board. Two tier voting process will be applied for retaining an Independent Director beyond twelve (12) years. A resolution was put to vote in the last AGM and the result was to retain Ms. Kang Hui Ling who have served the Board as an Independent Director for 16 years. The Board will review and consider to formalise its policy to limit its independent directors under the 2021 MCCG.

When identifying candidates for appointment of Director, the Nomination Committee will consider recommendations from existing Board Members, management, major shareholders and third-party sources before recommending to the Board for further deliberation.



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

#### (II) BOARD COMPOSITION (CONT'D)

The 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.

During the financial year, the Nomination Committee conducted a review on 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 based on the result compiled from self-assessment form completed by all Directors through peer reviews.

Overall, the Board is satisfied with the performance and effectiveness of the Board and Board Committees. The Board concluded that the current composition of the Board members is made up of individual with mix of skills, experiences and competencies, appropriate qualification for leading the Group and all the directors have also performed to their expectation and contributed to the effectiveness of the Board as a whole.

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

As reported previously, the Board has engaged a human resource consulting firm to conduct an independent assessment on the board and individual director performance. Recommendations for improvement were identified and presented to the Board.

#### (III) 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, market conditions and their responsibilities, whilst Independent Director shall be remunerated based on their experience, level of responsibilities assumed in the Board Committees, their special 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 his or her own remuneration.

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

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

Name of member	Designation	Role in RC
Chow Yoon Sam	Independent Non-Executive Director	Chairman
Kang Hui Ling	Senior Independent Non-Executive Director	Member
Lim Ts-Fei	Independent Non-Executive Director	Member
Dr. Wong Kai Fatt	Independent Non-Executive Director	Member
Lee Wai Kuen	Independent Non-Executive Director	Member


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

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 2021 are as follows:

Remuneration Received from the Company	Independent Non-Executive Directors					
	Kang Hui Ling (RM)	Lim Ts-Fei (RM)	Dr. Wong Kai Fatt (RM)	Chow Yoon Sam (RM)	Lee Wai Kuen (RM)	Total (RM)
Directors' Fee	30,000	30,000	30,000	30,000	30,000	150,000
Remuneration Received from the Group	Executive Director					Total (RM)
	Tan Sri Dato' Lim Kang Hoo (RM)	Tan Sri Datuk Seri Lim Keng Cheng (RM)	Dato' Lim Hoe (RM)	Lim Chen Thai (RM)		
Directors' Fee	30,000	30,000	30,000	30,000		120,000
Allowances	66,000	66,000	-	66,000		198,000
Salaries	1,080,000	576,000	432,000	156,000		2,244,000
Benefits-in-Kind	57,900	22,700	22,700	31,150		134,450
Defined Contribution Plan	43,200	69,120	14,400	18,720		145,440
<b>Total</b>	<b>1,277,100</b>	<b>763,820</b>	<b>499,100</b>	<b>301,870</b>		<b>2,841,890</b>

Details of the remuneration of the Top 5 senior management (including salary, bonus, benefits-in-kind and other emoluments) for financial year 2021 are as follow:

Senior Management	Range of Remuneration			
	RM150,001 - RM200,000	RM200,001 - RM250,000	RM250,001 - RM300,000	RM300,001 - RM350,000
Tham Beng Choy (Chief Executive Officer – Construction)	-	-	-	√
Encik Zulkhanine Bin Shamsudin (General Manager – Construction)	-	-	√	-
M.G. Menon (Chief Executive Officer- Food & Beverage)	-	-	√	-
Jennifer Kuek (Head of Assets Management)	-	-	√	-
Loh Pak Chun (General Manager - Highway Concessionaire)	√	-	-	-



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**PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT**

**(I) AUDIT AND RISK MANAGEMENT COMMITTEE (“ARMC”)**

The ARMC comprises five (5) members whom are Independent Non-Executive Directors and the Chairlady of the ARMC is not the Chairman of the Board. All members of the ARMC possess a wide range of skills to discharge its duties and majority of its members are financially literate and are able to understand matters under the purview of the ARMC including the financial reporting process.

During the financial year, the team of Executive Directors had proposed various business proposals to the Board. In reviewing these proposals, the ARMC scrutinised each proposal and assess if the proposals complement with the current Group’s operations; able to sustain under the inherent economic cyclical risks; and their impact on the Group’s financial position and potential dilution on shareholders’ equity interest. For those proposals involving the interest of related party, the ARMC further deliberated the arm’s length basis of the proposals and consulted corporate advisors on the issue of compliance with the MMLR requirements on significant and related party transactions.

The Group maintains a transparent relationship with the External Auditors in seeking professional advice towards ensuring compliance with applicable financial reporting standards. As part of the ARMC review processes, the ARMC has obtained 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 summary of work of ARMC is reported in the ARMC Report on page 48

**(II) RISK MANAGEMENT AND INTERNAL CONTROL**

The Board is responsible for the overall and oversight of risk management in the Group covering the systems of risk management and internal control for financial, operational and compliance while the Executive Directors together with the senior management team are primary responsible for managing risks in the Group.

The performance of the Group and its profitability, liquidity and cash flows during the financial year continued to be affected adversely by the weak market condition as a result of the prolonged pandemic. In order to minimise the impact of the pandemic, the Group continues to strengthen its current financial, operational, health and safety measures.

Despite the challenging environment, the Board are satisfied with the effectiveness and adequacy the existing level of systems of risk management and internal control. The Statement on Risk Management and Internal Control of the Group is set out on pages 44 to 47 of this Annual Report providing further details about the risk management and internal control systems as well as the Board’s review mechanism.

Separately, the Internal Audit Function is outsourced to an internal audit consulting firm. The internal audit function is headed by a director who is assisted by a manager and audit executives. Further details of Internal Audit Function are reported in the CG Report.

**PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**

**(I) COMMUNICATION WITH STAKEHOLDERS**

The Group believes that clear and consistent communication with investors promotes better appreciation of the Company’s business and activities and allows the Group’s business and prospects to be evaluated fairly. Such information is disseminated through various disclosures and announcements made to the Bursa Securities from time to time which includes the annual reports, quarterly financial results and various announcements. This information is also electronically published in the Bursa Securities and the Group corporate website and it is accessible by public. In addition, the Group has used its general meeting to communicate, disseminate and enrich its communication with the its stakeholders.



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

**(II) CONDUCT OF GENERAL MEETINGS**

In order to promote shareholders' participation and engagement with the Board and senior management effectively in the AGM, the Board would ensure that the Notice of the AGM is sent to shareholders at least 28 days ahead of the date of general meeting. The Board would also ensure that this Notice contains details of resolutions proposed along with background information and explanatory notes that are relevant.

In the last AGM, the company had issued its notice of AGM twenty-eight (28) day prior to the meeting. Shareholders who are unable to attend the AGM are advised that they can appoint proxies to attend and vote on the behalf by completing the proxy form enclosed in the Annual Report and depositing it at the Registrars' Office at least forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

The Group convened a virtual AGM during the financial year and has adopted online voting through the platform at <https://dvote.my> for the conduct of poll on all resolutions.

The Board Chairman and the Chairpersons of the Board Committees will respond to all questions raised by the shareholders during the Annual General Meeting. All shareholders were briefed on the voting procedures by the poll administrator prior to the poll voting and an independent scrutineer was appointed to validate the votes cast and announce the poll results.

Shareholders were encouraged to participate by posting questions to the Board.

The outcomes and the summary of key matters discussed in the last AGM were announced to Bursa Securities and posted on the Company website respectively.

This Corporate Governance Overview Statement was approved by the Board of Directors on 21 October 2021.