

CORPORATE GOVERNANCE REPORT

STOCK CODE : 8877
COMPANY NAME : Ekovest Bhd
FINANCIAL YEAR : June 30, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board 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.</p> <p>In order to meet these responsibilities, the Board has put in place the following resources, frameworks, processes and policies:</p> <ul style="list-style-type: none">• Board Charter setting out the roles, duties and responsibilities of the Board, the principles and practices of corporate governance to be followed as well as the key matters reserved for the Board's approval;• Board Committees, namely Audit and Risk Management, Nomination and Remuneration Committees to assist the Board in discharging its duties and responsibilities effectively. These Committees are empowered with the authority to examine particular issues and report to the Board with their recommendations;• Periodic review of projects and significant award of contracts as a mean to overseeing the conduct of the business and the overall performance management of the business affairs of the Group;• Review and deliberation of the interim and annual financial reporting with management and External Auditors to ensure the integrity and reliability of the financial information published in order to assist the public, investors and shareholders to make informed decision;• Approval procedures for investment and corporate exercises in consultation with corporate advisors and senior management to

	<p>ensure that these potential investment and corporate exercises generate growth in shareholders' wealth;</p> <ul style="list-style-type: none"> • Review of related party transaction, if any to ensure compliance with Listing Requirements and the interest of minority shareholders are not detrimental by related party transactions; • Review of Board Committees reports and approve the recommendation proposed by the Board Committees; • Implementation of the Group anti-corruption framework, anti-bribery and gratification guidelines to ensure that bribery and corruption risks are adequately managed; and • Consultation with the Company Secretaries, External and Internal Auditors and corporate finance advisors when making and disclosing information and announcements about the Group and the Company. 	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman is primarily responsible for instilling good governance practices, leadership and effectiveness of the Board through:</p> <ul style="list-style-type: none"> a) Chairing of board meetings, representing the Board to shareholders, and reviewing and approving together with the Board on the strategic issues of the Group; b) Chairing Annual and Extraordinary General Meetings and communicating with shareholders during the general meetings; c) Setting the board agenda in consultation with the Company Secretary and ensures that board members receive timely complete and accurate information; and d) Facilitating board discussion to ensure proper exchange of information and deliberation of issues to enable proper decision making. <p>Presently, the Board Chairman is a Group Executive Chairman. 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.</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 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Presently, the roles of the Group Executive Chairman and Managing Director are assumed by different Directors.</p> <p>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.</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 board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by qualified and competent Company Secretaries. The Company Secretaries are members of Malaysian Institute of Chartered Secretaries and Administrators. The Company Secretaries advise the Board, particularly with regards to compliance with regulatory requirements, guidelines, legislations and the principles of best corporate governance practices. All Directors have unrestricted access to the advice and services of the Company Secretary. The decisions for appointment and removal of Company Secretary rest with the Board.</p> <p>The key responsibilities of the Company Secretaries are as follows:</p> <ul style="list-style-type: none">• Updating the Board and its Committees on issues relating to corporate governance, compliance with laws, rules and regulations, procedures and protocol affecting the Company;• Co-ordinating with the Board on the meeting agenda and schedule;• Assisting the Board in the general meeting proceedings;• Attending and preparing minutes of Board meetings and ensuring that protocol and procedures of Board meetings are adhered to and that applicable rules and regulations are complied with;• Advising the Board on governance matters, listing requirements and related statutory obligations as well as their applications of governance practices; and• Maintaining register, statutory records and company secretarial documents of Ekovest Group of Companies. <p>The role and responsibilities of the Company Secretaries are stipulated in Clause 9.3 of the Board Charter, which is available on the Company's website at www.ekovest.com.my.</p>
Explanation for departure	:	

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

Intended Outcome

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company Secretary ensures that adequate period of notice of Board meeting and Board papers are issued to each director. Before the board meeting, Directors are able to review and consider the agenda items to be discussed and where necessary, to obtain further explanations.</p> <p>Subject to Board's approval all Board members may also seek independent professional advice when necessary in discharging its various duties, at the Company's expense.</p> <p>Upon conclusion of meeting, the Company Secretary ensures that accurate and proper records of the proceedings and resolutions passed are recorded in the minutes. These minutes are circulated to the Board members at least five (5) days before the next meeting is held.</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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has defined its Board Charter setting out the roles, duties and responsibilities of the Board, the principles and practices of corporate governance to be followed as well as the key matters reserved for the Board's approval. The Board Charter is available in our Group's website at www.ekovest.com.my for stakeholders' reference.</p> <p>The Board has delegated its oversight responsibilities to 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 roles, duties and responsibilities of the Board Committees, namely the Audit and Risk Management, Nomination and Remuneration Committees have been defined clearly in its terms of reference respectively.</p> <p>The Board has reviewed its Board Charter and incorporated the following new responsibilities on prevention of corruption:</p> <ul style="list-style-type: none">i. To establish and maintain effective and adequate anti-corruption compliance policies and framework and whistleblowing reporting channel;ii. To review the Group's corruption risk exposures periodically or when there are changes in law, circumstance of the business and/or the profile of its business associates; andiii. To seek assurance on the effectiveness of the anti-corruption compliance policies and framework. <p>This updated Board Charter is posted on the Company's website.</p>
Explanation for departure	:	

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

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has defined its Code of Conduct and Ethics ("this Code") covering the prohibition on 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. This Code enable the Board to convey and promote good business conduct and ethics in the organisation.</p> <p>In conjunction with the introduction of S17A of the Malaysia Anti-Corruption Commission ("MACC") Act 2009, the Board had reviewed and updated this Code. A copy of this Code is posted on the Company's website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established Whistleblowing Policy and reporting channel. During the financial year, The Board has also reviewed the Group's Whistleblowing Policy and updated the application of this policy. This updated policy has been approved by the Board and posted on the Company's website.</p> <p>Stakeholders who know of, or suspects a violation of the Code may report the incidence to the ARMC Chairman by emailing to ekovest@whistleblower.com.my or by posting their complaints to PO Box #911, L2- 08, Level 2, Cheras Leisure Mall, Jalan Manis 6, Taman Segar, 56100 Kuala Lumpur.</p> <p>In order to provide comfort to whistleblowers about the confidentiality of information and identity reported, the Board has assigned the administration of the whistleblowing reporting channel to the outsourced Internal Audit function.</p> <p>The Board did not receive any complaint from the whistleblowing report channels during the financial year.</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 4.1

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>As at the date of this statement, the Board has nine members and one alternative director.</p> <p>Four of the nine members are executive members i.e. Group Executive Chairman, Managing Director, two (2) Executive Directors. The remaining five members are Independent Non-Executive Directors constituting the majority members in the Board.</p>	
Explanation for departure	:		
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Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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 justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied																				
Explanation on application of the practice	:	<p>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.</p> <p>The Independent Directors also conducted self-assessment and declared that they have met the criteria for independence set out in Chapter 1 of the Main Market Listing Requirements ("MMLR") and they continue to be able to exercise independent judgement and to act in the best interest of the Company.</p> <p>During the financial year, the Board has deliberated the position of Ms. Kang Hui Ling who have served the Board as an Independent Director for more than twelve (12) years and resolved to put forth her appointment to be approved by shareholder through a two-tier voting process. The Board feels that her long service will enable her to contribute more effectively in the Audit and Risk Management Committee meetings.</p> <p>A resolution was put to vote in the last AGM and the result was to retain Ms. Kang Hui Ling as Independent Director.</p> <table border="1"><thead><tr><th rowspan="2">Resolution No.</th><th colspan="2">In Favor</th><th colspan="2">Against</th></tr><tr><th>Number</th><th>%</th><th>Number</th><th>%</th></tr></thead><tbody><tr><td rowspan="2">9</td><td>Tier 1</td><td>830,526,125</td><td>100</td><td>-</td><td>-</td></tr><tr><td>Tier 2</td><td>324,382,310</td><td>99.71</td><td>948,850</td><td>0.29</td></tr></tbody></table>	Resolution No.	In Favor		Against		Number	%	Number	%	9	Tier 1	830,526,125	100	-	-	Tier 2	324,382,310	99.71	948,850	0.29
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Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.3 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years.

Application	:	Applied
Explanation on adoption of the practice	:	The Board will review and consider to formalise its policy to limit its independent directors under the 2021 MCCG.

Intended Outcome

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

Practice 4.4

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.

Application :	Applied																																																																			
Explanation on application of the practice :	<p>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.</p> <p>The Board consists of members who are experienced entrepreneurs and professionals in the fields of construction, property development, engineering, audit, finance, accounting, equity market research and legal practice. Following are the analysis of ethnicity, age distribution and skillsets of the existing Board members and key senior management:</p> <table border="1"> <thead> <tr> <th rowspan="2">Age Group/ Gender</th> <th colspan="2">26-35 years</th> <th colspan="2">36-45 years</th> <th colspan="2">46-55 years</th> <th colspan="2">56-65 years</th> <th colspan="2">66-75 years</th> </tr> <tr> <th>Male</th> <th>Female</th> <th>Male</th> <th>Female</th> <th>Male</th> <th>Female</th> <th>Male</th> <th>Female</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Number of Directors</td> <td>1</td> <td></td> <td></td> <td></td> <td>1</td> <td>1</td> <td>1</td> <td>1</td> <td>3</td> <td>1</td> </tr> <tr> <td>Number of Key Senior Management</td> <td></td> <td></td> <td></td> <td>1</td> <td></td> <td>1</td> <td>4</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Skill</th> <th>Business Management / Others</th> <th>Accounting & Finance Management</th> <th>Engineering</th> <th>Legal</th> </tr> </thead> <tbody> <tr> <td>Number of Directors</td> <td>4</td> <td>2</td> <td>1</td> <td>2</td> </tr> <tr> <td>Number of Key Senior Management</td> <td>3</td> <td>1</td> <td>2</td> <td></td> </tr> </tbody> </table>										Age Group/ Gender	26-35 years		36-45 years		46-55 years		56-65 years		66-75 years		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Number of Directors	1				1	1	1	1	3	1	Number of Key Senior Management				1		1	4				Skill	Business Management / Others	Accounting & Finance Management	Engineering	Legal	Number of Directors	4	2	1	2	Number of Key Senior Management	3	1	2	
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Intended Outcome

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

Practice 4.5

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	The Board has three (3) female members constituting one third of the nine (9) Board members.	
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 4.6

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.

Application	:	Applied	
Explanation on application of the practice	:	When identifying suitably qualified candidates for appointment of Director, the Board Charter provides that Nomination Committee will consider recommendations from existing board members, management, major shareholders and candidates from third-party sources before recommending to the Board for further deliberation. Candidates for directorship will only be nominated if their skills, knowledge, professionalism, character and experience meet the needs of the Board.	
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 4.7

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	The position of the Nomination Committee Chair is reserved for independent director of the Board. On 8 October 2020, the Board has designated Ms. Lim Ts-Fei, an Independent Director as the new Chairlady of the Nomination Committee.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 5.1

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 and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

Application	:	Applied
Explanation on application of the practice	:	<p>During the financial year under review, the Nomination Committee has carried out 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 by way of self-assessment.</p> <p>Overall, the Board is satisfied with the performance and effectiveness of the Board, Board Committees and individual directors. The Board also satisfied that the composition of the Board members is made up of individual with the mix of skills, experiences, competencies and qualification.</p> <p>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.</p> <p>In absentia of Ms. Kang Hui Ling, the Nomination Committee Chairperson, the other members of Nomination Committee deliberated and considered the justification for retaining Ms. Kang Hui Ling as Independent Director who has served the Company for more than twelve (12) years and recommended to the Board for proposing the resolutions to Shareholders for retaining her as Independent Director in the Board.</p> <p>As reported previously, the Board had engaged a human resource consulting firm to conduct an assessment on the board and individual director performance. Recommendations for improvement were identified and presented to the Board.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 6.1

The board has in place 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 policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has defined its remuneration policy in its Board Charter which was published in the Company's website.</p> <p>Under this remuneration policy, it is provided 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 in fee based on their experience, level of responsibilities assumed in the Board Committees, their special skills and expertise they bring to the Board.</p> <p>The determination of directors' remuneration is subject to Board's approval. The director concerned should abstain from discussing his/her own remuneration.</p> <p>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.</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 6.2

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 Remuneration Committee comprises five (5) members and all five Independent Non-Executive Directors of the Board are the members of the Remuneration Committee. Currently, this Committee is chaired by Mr Chow Yoon Sam and the terms of reference of the Committee are posted in the corporate website. During the financial year, the Remuneration Committee conducted a meeting to deliberate on the remuneration of the Executive Board Members and top five (5) senior management remuneration packages.	
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 7.1

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	Independent Non-Executive Directors						
	Remuneration Received from the Company	Dr. Wong Kai Fatt	Lim Ts-Fei	Kang Hui Ling	Chow Yoon Sam	Lee Wai Kuen	Total
		(RM)	(RM)	(RM)	(RM)	(RM)	(RM)
	Directors' Fee	30,000	30,000	30,000	30,000	30,000	150,000
	Executive Director						
	Remuneration Received from the Group	Tan Sri Dato' Lim Kang Hoo	Tan Sri Datuk Seri Lim Keng Cheng	Dato' Lim Hoe	Lim Chen Thai	Total	
		(RM)	(RM)	(RM)	(RM)	(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		
Total	1,277,100	763,820	499,100	301,870	2,841,890		
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 7.2

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	:	Applied				
Explanation on application of the practice	:	Details of the remuneration of the Top 5 senior management (including salary, bonus, benefits in-kind and other emoluments) during the financial year 2021, are as follow:				
		Senior Management	150,001 – 200,000	200,001 – 250,000	250,001 – 300,000	300,001 – 350,000
		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)	√	-	-	-
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 7.3 - Step Up

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

Application	:	Applied
Explanation on adoption of the practice	:	The disclosure of top senior management remuneration presented in the band of RM50,000 in Practice 7.2 has substantially reflected the amount of remuneration received by these senior management.

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 8.1

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

Application	:	Applied	
Explanation on application of the practice	:	Presently, the members of the Audit and Risk Management Committee (“ARMC”) comprising fully Independent Non-Executive Directors. The Chairperson of the ARMC is Ms. Kang Hui Ling who is not the Chairman of the Board.	
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 8.2

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

Application	:	Applied	
Explanation on application of the practice	:	Presently, none of the members of the ARMC were former audit partners of the Company's auditors. Nonetheless, the ARMC is mindful of this cooling off period practice.	
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 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

Application	:	Applied
Explanation on application of the practice	:	<p>The policy on assessment of External Auditors is defined in the ARMC's terms of reference. 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.</p> <p>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 resources of the firm, quality of service and competency of the staffs assigned to the audit as well as the auditors' independence and fee.</p> <p>The present External Auditors of the Company was engaged since 1993 and the External Auditors continue to practise and observe a 5-years engagement partner rotation policy.</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 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Applied
Explanation on adoption of the practice	:	As reported in Practice 8.1, the members of ARMC continue to comprise fully Independent Non-Executive Directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate 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 Board has established an effective and independent ARMC. Collectively, 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.</p> <p>The members of ARMC have undertaken continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules. The training attended by the members of ARMC during the financial year are as follows:</p> <table border="1"><thead><tr><th>Name of Directors</th><th>Trainings</th><th>Date</th></tr></thead><tbody><tr><td rowspan="2">Kang Hui Ling</td><td>2021 Budget Highlight</td><td>10.12.2020</td></tr><tr><td>Navigating ESG Requirements for Growth</td><td>21.04.2021</td></tr><tr><td>Lim Ts-Fei</td><td>Navigating ESG Requirements for Growth</td><td>21.04.2021</td></tr><tr><td>Chow Yoon Sam</td><td>Navigating ESG Requirements for Growth</td><td>21.04.2021</td></tr><tr><td>Dr. Wong Kai Fatt</td><td>Navigating ESG Requirements for Growth</td><td>21.04.2021</td></tr><tr><td>Lee Wai Kuen</td><td>Navigating ESG Requirements for Growth</td><td>21.04.2021</td></tr></tbody></table>	Name of Directors	Trainings	Date	Kang Hui Ling	2021 Budget Highlight	10.12.2020	Navigating ESG Requirements for Growth	21.04.2021	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
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Lee Wai Kuen	Navigating ESG Requirements for Growth	21.04.2021																				
Explanation for departure	:																					

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

Measure :		
Timeframe :		

Intended Outcome

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 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board as a whole 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 and senior management team are primary responsible for managing risks in the Group.</p> <p>The Statement on Risk Management and Internal Control is set out on pages 44 to 47 of this Annual Report explaining the systems of risk management and internal control that the Group has established to address its material risks during the financial year.</p> <p>The Board has expressed in the said Statement that they are satisfied with the effectiveness and adequacy the existing level of systems of risk management and internal control.</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 9.2

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 details of the risk management and internal control features as well as the Board review of the adequacy and effectiveness of these systems are presented in the Statement on Risk Management and Internal Control of the Annual Report.</p> <p>The Board has delegated and empowered the Audit and Risk Management Committee ("ARMC") with the responsibility in overseeing risk management in the Group. Following are the main mechanism applied by the ARMC to derive its view on the state of internal control and risk management in the Group:</p> <ol style="list-style-type: none">i. The assessment of the adequacy and effectiveness of internal controls based on the internal audit findings presented by the Internal Auditors. These reviews are done quarterly where the Internal Auditors will present their internal audit report to the ARMC highlighting the audit issues and action to be taken by management for improvement;ii. Management presentation of the quarterly financial performance and results to ARMC. In this case, the ARMC will consider the Group's performance vis-à-vis the risks and challenges in the business as well as the measures taken by Management to address these risks and challenges;iii. Annual External Audit Report to the ARMC on their audit findings and commentary on the key audit matters. As part of this review, ARMC will also obtain feedback from the External Auditors on risk and control issues noted by them, if any in the course of their statutory audit; andiv. Provision of management's assurance that the Group's risk management and internal control systems are adequate and effective, in all material aspects.
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 9.3 - 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	:	Applied
Explanation on adoption of the practice	:	The Board has established a combined function of audit and risk management under the ARMC. The members of ARMC comprises wholly Independent Non-Executive Directors.

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 10.1

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 ARMC is assisted by an Internal Audit function, which is currently managed by IA Essential Sdn Bhd, an internal audit firm. Functionally, the Internal Auditors reports to the ARMC directly and is responsible for conducting periodic reviews and appraisals on governance, risk management and internal controls of the Group.</p> <p>The ARMC reviewed and approved the scope of work of the Internal Auditors to ensure that the audit directions are appropriate and remain relevant taking into consideration of the changes in the Group’s operating environment.</p> <p>When reviewing the Internal Audit reports, the ARMC will consider the impact of the audit issues and assess whether management has provided their comments appropriately reflecting their commitment to the audit recommendations.</p> <p>Private session with the Internal Auditors will be held without the presence of management by the ARMC during the year. The objective of this private session is to enable the Internal Auditors to exchange their views freely to the ARMC and also to allow the ARMC to guide the Internal Auditors in discharging their work effectively and independently.</p> <p>Details of the internal audit activities carried during the year are reported in the ARMC Report on page 48.</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 10.2

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 headed by a director who is assisted by a manager and audit executives. The Director in charge is Chong Kian Soon. Kian Soon is a member of Chartered Accountants Australia and New Zealand, the Malaysian Institute of Certified Public Accountants and the Institute of Internal Auditors Malaysia while the team members are accounting graduates.</p> <p>The Internal Auditors have performed its work with reference to the principles of the International Professional Practice Framework of Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders.</p> <p>Annually, the ARMC will review the internal audit engagement to ensure that the Internal Auditors’ objectivity and independence are intact.</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 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>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.</p> <p>Following are the means and approaches used by the Board in communicating with stakeholders:</p> <ul style="list-style-type: none">i. Annual Report, which contains the financial and operational review of the Group's business, corporate information, financial statements;ii. Announcements to the Bursa Securities;iii. Company website at https://ekovest.com.my where shareholders or investors may access information on the Group under "Investor Relations" link encompassing financial, stock information, announcements to Bursa Securities and various governance policies covering Board Charter, Anti Bribery and Gratification Guidelines, Corporate Code of Conduct and Ethics, Whistle-blower Protection Policy and Board Committees' Term of Reference;iv. Shareholders interaction during general meetings; andv. Meetings with analysts and fund managers, if required to provide them with the insight of the Group.
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 11.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Applied
Explanation on application of the practice	:	
Explanation for departure	:	<p>Whilst the Company has not adopted the integrated reporting, the Board assures the shareholders that the information disclosed in the annual report complies with the regulatory and statutory requirements and guidelines.</p> <p>Similar with the previous year, the Company has reported its Sustainability Statement on pages 28 to 36 of its Annual Report and has continued to enhance its information in the Annual Report in order to facilitate stakeholders' understanding and appreciation of the Company's financial results, business performance and operations of the Group.</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 will continue to enhance the content of its Annual Report. The Board will also engage with and respond to stakeholders' queries, if any by providing more information to complement their knowledge and understanding of the Company.
Timeframe	:	This practice will be reviewed at least annually and based on the on-going feedbacks, if any received from stakeholders.

Intended Outcome

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

Practice 12.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>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.</p> <p>By doing so, shareholders will have sufficient time to prepare for their schedule and consider the resolutions that will be discussed and decided at the AGM and will be able to make informed decision when exercising their voting rights.</p> <p>In the last AGM, the company had issued its notice of AGM twenty-eight (28) day prior to the meeting.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.2

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>General meetings empower shareholders to exercise their rights. In the general meeting, shareholders are provided with the opportunity to participate in the question-and-answer session where they can raise questions regarding the proposed resolutions and matters relating to the Group's businesses and affairs.</p> <p>All Board members have attended the last AGM and the Chairmen of the respective Board Committees and Executive Directors have responded to shareholders' queries.</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 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

Application	:	Applied
Explanation on application of the practice	:	<p>The Thirty-Fifth Annual General Meeting held on 27 November 2020 of the Company was conducted through live streaming from the broadcast venue at 3rd Floor, Ekovest Sales Gallery, 122-124, Jalan Gombak, 53000 Kuala Lumpur, Malaysia and online voting using the platform at https://dvote.my.</p> <p>Due to the constant evolving COVID-19 situation in Malaysia and as a measure to curb the spread of Covid-19, the Company will conduct its Thirty-Sixth Annual General Meeting (36th AGM) virtually through live streaming and online remote participation via RPV provided by Dvote Services Sdn Bhd. The RPV will enable remote shareholders' participation via real time submission of typed texts and online remote voting.</p> <p>The conduct of meeting by way of fully virtual also strongly encouraged by the Securities Commission Malaysia. The Company has appointed Messrs. Sectrars Management Sdn Bhd as Poll Administrator to conduct the voting by way of electronic polling system and Coopers Professional Scrutineers Sdn Bhd as Independent Scrutineers to verify the poll results. Upon closing of the poll, the Independent Scrutineers verified and subsequently presented the verified results to the Chairman of the AGM for announcement.</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	:	

**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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