

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 2024.

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 acknowledges its principal responsibilities in overseeing management performance and corporate strategies, promoting sound governance and risk management, and ensuring effective succession planning, investor relations, and corporate reporting of the Group.

On March 6, 2024, the Managing Director transitioned to a Non-Executive Director role. This change allows the Executive Chairman to lead the board and management, supported by two dedicated Executive Directors, during this trying time for the Group. Nonetheless, to ensure a balanced approach to leadership, the Board continues to be composed of a majority of Independent Directors and includes various oversight committees, all chaired by Independent Directors. This structure enhances checks and balances in the decision-making process.

Furthermore, the Board appointed Mr. Lee Wai Kuen as the Senior Independent Director (“SID”), succeeding the former Chair of ARMC. Under this role, the SID will continue to serve as:

- A supportive sounding board for the Chairman;
- A facilitator for communication among directors when necessary; and
- A valuable point of contact for shareholders and other stakeholders.

The Board is supported by two qualified and competent Company Secretaries, Mr. Lim Thiam Wah and Ms. Tee Lee Leng, both members of the Malaysian Institute of Chartered Secretaries and Administrators. They provide guidance to the Board on regulatory compliance, relevant legislation, and best practices in corporate governance. The appointment and removal of the Company Secretaries are at the discretion of the Board.

The Board has formalised a Code of Conduct and Ethics (“the Code”), which outlines provisions on conflicts of interest, abuse of power, corruption, insider trading and money laundering. It also defines the expected actions and responsibilities of the Board, Management and staff in adhering to the 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 ensure confidentiality and protect the identity of the whistleblower, the Board has assigned the administration of the whistleblowing reporting channel to the Internal Auditor. During the financial period, the Board did not receive any complaints through the 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 their 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.

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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 eight (8) 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	7/8
Dato' Lim Hoe	7/8
Lim Chen Thai	7/8
Tan Sri Datuk Seri Lim Keng Cheng	8/8
Lim Ts-Fei	7/8
Lee Wai Kuen	8/8
Jasmine Cheong Chi-May	7/8
Dato' Majid Manjit Bin Abdullah	7/8
Chin Wai Kit	8/8

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.

The following are the training attended by the Board members:

Name of Directors	Training	Date
Tan Sri Dato' Lim Kang Hoo	Conflict of Interest	30.08.2023
	Market Trends for an Unscripted World	08.04.2024
Dato' Lim Hoe	Market Trends for an Unscripted World	08.04.2024
Lim Chen Thai	Market Trends for an Unscripted World	08.04.2024
Tan Sri Datuk Seri Lim Keng Cheng	Market Trends for an Unscripted World	08.04.2024
Lim Ts-Fei	Market Trends for an Unscripted World	08.04.2024
Lee Wai Kuen	Market Trends for an Unscripted World	08.04.2024
Jasmine Cheong Chi-May	Market Trends for an Unscripted World	08.04.2024
Dato' Majid Manjit Bin Abdullah	Market Trends for an Unscripted World	08.04.2024
Chin Wai Kit	Conflict of Interest	30.08.2023
	Market Trends for an Unscripted World	08.04.2024



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

(II) BOARD COMPOSITION

The Board has nine members and an alternative director. Three of the nine members are executive members, one is a Non-Independent Non-Executive Director and the remaining five are Independent Non-Executive Directors, making up the majority 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 22 to 29 of this Annual Report.

The Board recognises and embraces the 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 peer 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 Company'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 energy management, emissions management, water management, waste management, materials, community/society involvement, diversity, health and safety, labour, anti-corruption and bribery, data privacy and supply chain management. (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 the Independent Director shall be remunerated based on their experience, level of responsibilities assumed in the Board Committees, the skills and expertise they bring to the Board.

The determination of Directors' remuneration requires Board approval. The director concerned would abstain from any discussions regarding their own 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 current 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	Independent Non-Executive Director	Chairlady
Lim Ts-Fei	Independent Non-Executive Director	Member
Lee Wai Kuen	Senior Independent Non-Executive Director	Member
Dato' Majid Manjit Bin Abdullah	Independent Non-Executive Director	Member
Chin Wai Kit	Independent Non-Executive Director	Member

The RC 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 2024 are as follows:

Remuneration Received from the Group	Directors' Fee (RM)	Allowance (RM)	Salaries (RM)	Benefits-in-Kind (RM)	Defined Contribution Plan (RM)	Total (RM)
Tan Sri Dato' Lim Kang Hoo	60,000*	84,000	1,800,000	57,900	72,000	2,073,900
Dato' Lim Hoe	30,000	-	720,000	22,700	24,000	796,700
Lim Chen Thai	30,000	66,000	360,000	20,525	43,200	519,725
Tan Sri Datuk Seri Lim Keng Cheng**	30,000	84,000	640,000	15,132	25,600	794,732
Lim Ts-Fei	30,000	-	-	-	-	30,000
Lee Wai Kuen	30,000	-	-	-	-	30,000
Jasmine Cheong Chi-May	30,000	-	-	-	-	30,000
Dato' Majid Manjit Bin Abdullah	60,000*	-	-	-	-	60,000
Chin Wai Kit	30,000	-	-	-	-	30,000
Total	330,000	234,000	3,520,000	116,257	164,800	4,365,057

* The director fees of Tan Sri Dato' Lim Kang Hoo and Dato' Majid Manjit Bin Abdullah included fees received by them individually from PLS Plantations Berhad, a subsidiary of the Company. No other Independent Directors received remuneration from other subsidiaries and associated companies of the Group.

** Tan Sri Datuk Seri Lim Keng Cheng, the former Managing Director, was redesignated to a Non-Independent and Non-Executive Director on 6 March 2024.

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

(IV) REMUNERATION (CONT'D)

Further details of the 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 2024 are as follows:

Senior Management	Range of Remuneration (RM)			
	200,001 – 250,000	250,001 – 300,000	300,001 – 350,000	350,001 – 400,000
Jennifer Kuek (Head of Assets Management)				√
Loo Chee Kin (Head of Construction)			√	
Loh Pak Chun (General Manager- Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd)	√			
Kharul Anuar Abdul Basit (General Manager-Project Management)		√		
Clement Lee Soo Wah (Head of Sales- Property/Hotel)			√	

**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. The ARMC is chaired by Mr. Chin Wai Kit, who is not the Chairman of the Board.

The policy for assessing External Auditors is defined in the ARMC's Terms of Reference. Annually, the ARMC also evaluates the appointment, performance, and remuneration of the External Auditors before recommending their reappointment to shareholders at the Annual General Meeting. In assessing the External Auditors, the ARMC considers the firm's resource adequacy, service quality, the competency of the staff assigned to the audit, as well as the auditors' independence and fees. As part of its review processes, the ARMC will obtain written confirmation from the External Auditors that they are and have been independent throughout the audit engagement, in accordance with 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 AMRC.

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PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

(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.

Despite the Group has experienced steady growth in toll revenue from Duke 1 and 2, with the SPE's full opening in November 2023, the Group recorded a higher loss before tax in FYE 2024 compared to FYE 2023 and with a net current liability position similar to the previous year. The key reasons contributed to the loss are as follows:

- i. Discontinuation of financing costs capitalisation for SPE Highway upon its commencement of operation in November 2023;
- ii. The compensation for the deferred toll rate hike for year 2023 had yet to be received for Duke 1 & 2; and
- iii. The Group has been unable to recognise the scheduled toll rate for Duke 1 & 2, which was due on 1 January 2024.

To address the above challenges and improve cash flow, the Group has:

- Taken steps such as private placements asset disposals, and managing financing costs by unlocking and securing new credit facilities;
- Identified strategic opportunities for property development and construction segments. A key project, the EkoTitiwangsa development, is expected to launch by December 2024 and enhance revenues in these segments;
- The ongoing rationalisation of the RTS Link project and the construction of EkoTitiwangsa are expected to boost construction revenue further; and
- PLS Plantations Berhad, a subsidiary, is transitioning from a cyclical oil palm business to a diversified model.

As part of its long-term risk management strategy, the Group plans to explore, expand and diversify into new business areas. The ultimate objective is to manage the cyclical nature and reduce reliance on its construction and property development sectors and the potential impact of unexpected events learning from the last pandemic.

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.



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

(I) COMMUNICATION WITH STAKEHOLDERS

The Group is committed to maintaining clear and consistent communication with investors, fostering a better understanding of the Company's business and activities, and enabling an accurate assessment of its prospects. The following methods and strategies are employed by the Board to engage 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;
- 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 in advance of the general meeting. This notice will include details of the proposed resolutions, along with background information and relevant explanatory notes.

The last AGM was held on 15 December 2023 via online meeting platform at <https://www.dvote.my> provided by Dvote Services Sdn Bhd. The platform provider assured the Board of the cyber hygiene measures, privacy protocols and protection of the shareholders' personal data.

During the Q&A session of the last AGM, there were 46 questions raised by the shareholders and the Board responded to these questions point-by-point. For the benefit of shareholders who were unable to attend the AGM, the polling results and a summary of the matters discussed 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 2024.