

CORPORATE GOVERNANCE REPORT

STOCK CODE : 8877
COMPANY NAME : Ekovest Berhad
FINANCIAL YEAR : June 30, 2018

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>Principally, the responsibilities of the Board cover the areas of strategic plan, oversight of management performance, promote good governance, risk management, succession planning, investor relation and corporate reporting of the Group.</p> <p>In discharging these responsibilities, the Board puts in place the following frameworks and processes to meet its objectives and review management performance:</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. The terms of reference of each Board Committee are set out and approved by the Board. These Committees have the authority to examine particular issues and report to the Board with their recommendations;• Periodic review of the financial results and progress of projects as a mean to overseeing the conduct of the business and the overall performance management of the business affairs of the Group;• Deliberate 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;

	<ul style="list-style-type: none"> • Review and approve corporate exercise in consultation of corporate advisors and senior management; • Review related party transaction, if any to ensure the compliance with Listing Requirements and the interest of minority shareholders are not detrimental by related party transactions; • Review and deliberate the Board Committees reports and approve the recommendation proposed by the Board Committees; and • Observe the regulatory requirements when disseminating information and disclosures in consultation with the Company Secretaries, External and Internal Auditors and corporate finance advisors for corporate exercises, when necessary. <p>At the board level, the Executive Chairman, Managing Director and Executive Directors are responsible for the Group business operations while the Non-Executive and Independent Directors play a pivotal role by bringing objective judgment and views into the Board's deliberation and decision making processes. The roles of the Executive Chairman and Managing Director are assumed by different Directors. A designated Senior Independent Non-Executive Director is named for providing another channel of communication for shareholders.</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 1.2

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 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 when appropriate and represented Board in communicating with shareholders during the general meetings.c) Setting the board agenda in consultation with the Company Secretaries and ensures that board members receive complete and accurate information in a timely manner.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 an Executive Chairman. The executive roles of the Chairman enable the Executive Chairman to align the interest of the board, management and shareholders for maximising shareholders' wealth. Nonetheless, majority of the Board members are Independent Non-Executive Directors to enable greater weight of expression of objective and independent views to safeguard the interest of minority shareholders.</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	:	The Company does not have CEO, however this role is assumed by the Group Managing Director. Presently, the roles of the Executive Chairman and Managing Director are assumed by different Directors. A designated Senior Independent Non-Executive Director is named for providing another channel of communication for shareholders.
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 a qualified and competent Company Secretary. The Company Secretary is a member of Malaysian Institute of Chartered Secretaries and Administrators. The Company Secretary advises 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 appointment and removal of Company Secretary of the Board and Board Committees can only be made by the Board.</p> <p>The key responsibilities carried out by the Company Secretaries during the financial year are as follows:</p> <ul style="list-style-type: none">• Advised the Board on Company Secretarial matters and maintains register, statutory records and company secretarial documents.• Updated the Board and its Committees on issues relating to corporate governance, compliance with laws, rules and regulations, procedures and protocol affecting the Company.• Co-ordinated with the Board on the meeting agenda and schedule.• Managed the general meeting proceedings.• Attended and prepared minutes of Board meetings and ensured that protocol and procedures of Board meetings are adhered to and that applicable rules and regulations are complied with.• Advised Directors to fulfil their obligations in regards to disclosure of transactions with the Company and prohibition of dealing in securities during closed period and moratorium.
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

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 supply, timeliness and quality of the information affect the effectiveness of the Board. Accordingly, the Board ensures that each Director is provided with timely notices and Board papers issued prior to the Board meetings to enable Directors to review and consider the agenda items to be discussed and where necessary, to obtain further explanations before the board meeting.</p> <p>Subject to Board's approval may also seek independent professional advice when necessary in discharging its various duties, at the Company's expense.</p> <p>Company Secretary ensures that accurate and proper records of the proceedings and resolutions passed are recorded and the minutes are circulated to the Board members as soon as possible before the next 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

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>To assist the Board in the discharge of its oversight function, the Board has delegated certain 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 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 entire Board.</p> <p>The Board had reviewed and published its latest Board Charter in 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	:	The Board supports the principles of its Corporate Code of Conduct and Ethics ("this Code"). The Board had reviewed and revised this Code covering 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. A copy of this Code is published in the Company's website.
Explanation for departure	:	
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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	:	The Board has established its Whistleblowing Policy & Procedure and encourages employees to report suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse involving resources of the Company. The Whistleblowing Policy and Procedure which is published in the Company's website provides and facilitates a mechanism for any individual to report concerns about any suspected and/or breaches of the Code of Conduct and Ethics. Stakeholders who knows of, or suspects a violation of this policy may report the incidence and their concerns to Executive Chairman.
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	:	As at the date of this statement, the Board has eight (8) members comprising an Executive Chairman, a Managing Director, one (1) Executive Directors and five (5) Independent Non-Executive Directors. Collectively, the Independent Directors constituting the majority of number of the 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 4.2

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 - Annual shareholders' approval for independent directors serving beyond 9 years	
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 a consideration for the Board to decide. Two tier voting process will be applied for retaining an Independent Director beyond twelve (12) years.</p> <p>The Independent Directors also conducted a self-assessment and declared that:</p> <ul style="list-style-type: none"> i. They have no interest or ties in the Company that could adversely affect independent and objective judgement and place the interest of the Company above all other interests; and ii. They have met the criteria for independence set out in Chapter 1 of the MMLR and they continue to be able to exercise independent judgement and to act in the best interest of the Company. 	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	Not Adopted
Explanation on adoption of the practice	:	The Board will adopt and formalise its policy to limit its independent directors to nine (9) years in three (3) years time.

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. The ethnicity, age distribution and skillsets of the existing Board members are as follows. Further details of each individual director can be found in their respective profiles in the Annual Report.</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="4">Race/Ethnicity</th> <th colspan="2">Nationality</th> <th colspan="2">Gender</th> </tr> <tr> <th>Malay</th> <th>Chinese</th> <th>Indian</th> <th>Others</th> <th>Malaysian</th> <th>Foreign</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Executive Director</td> <td>--</td> <td>4</td> <td>--</td> <td>--</td> <td>4</td> <td>--</td> <td>3</td> <td>1</td> </tr> <tr> <td>Independent and Non-Executive Director</td> <td>--</td> <td>5</td> <td>--</td> <td>--</td> <td>5</td> <td>--</td> <td>3</td> <td>2</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Age Group</th> <th>30-39 years</th> <th>40-49 years</th> <th>50-59 years</th> <th>60-69 years</th> <th>70-79 years</th> </tr> </thead> <tbody> <tr> <td>Executive Director</td> <td>1</td> <td>--</td> <td>1</td> <td>2</td> <td>--</td> </tr> <tr> <td>Independent and Non-Executive Director</td> <td>--</td> <td>1</td> <td>2</td> <td>--</td> <td>2</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Skill</th> <th>Accounting & Finance Management</th> <th>Engineering</th> <th>Legal / Law</th> <th>Business Management/ Others</th> </tr> </thead> <tbody> <tr> <td>Executive Director</td> <td>1</td> <td>--</td> <td>--</td> <td>3</td> </tr> <tr> <td>Independent and Non-Executive Director</td> <td>1</td> <td>1</td> <td>2</td> <td>1</td> </tr> </tbody> </table>									Race/Ethnicity				Nationality		Gender		Malay	Chinese	Indian	Others	Malaysian	Foreign	Male	Female	Executive Director	--	4	--	--	4	--	3	1	Independent and Non-Executive Director	--	5	--	--	5	--	3	2	Age Group	30-39 years	40-49 years	50-59 years	60-69 years	70-79 years	Executive Director	1	--	1	2	--	Independent and Non-Executive Director	--	1	2	--	2	Skill	Accounting & Finance Management	Engineering	Legal / Law	Business Management/ Others	Executive Director	1	--	--	3	Independent and Non-Executive Director	1	1	2	1
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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	:	Presently, the Board has three (3) female members out of nine (9) Board members. As reported in the 2016 Annual Report, the Company received a Certificate of Appreciation from the Ministry of Women, Family and Community Development for achieving the target of at least 30 percent women on Board in public listed companies.	
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	:	<p>The Nomination Committee is chaired by an Independent Non-Executive Director. The Nomination Committee will consider recommendations from existing board members, management, major shareholders and third-party sources to identify suitably qualified candidates, when necessary before recommending to the Board for further deliberation.</p> <p>Candidates for directorship are nominated based on their skills, knowledge, professionalism, character and experience in line with the needs of the Group. The detail profiles of nominated directors will be presented to the Board by the Nomination Committee to assist the Board in making their selection decision.</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 4.7

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination Committee is chaired by Ms Kang Hui Ling who is an Independent Non-Executive Director.	
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 carried out a review on the composition of the Board and the profile of each Director; an assessment of the Board, Board Committees and individual Directors in relation to their performance and contribution towards meeting the needs of the Company.</p> <p>The Board is satisfied with the overall performance effectiveness of the Board, Board Committees and individual directors had performed to its expectations.</p> <p>In absentia of Ms. Kang Hui Ling, the Nomination Committee Chairperson, the other members of Nomination Committee deliberated and considered the terms of the Nomination Committee Chairperson who is also the Senior Independent Non-Executive Director. It was concluded resolved unanimously and by the Committee that the Senior Independent Non-Executive Director shall continue to act as Independent Director. The Nomination Committee further recommended to the Board for proposing the resolutions to Shareholders for approving how to continue serving as Independent Director.</p> <p>The Independent Directors also conducted a self-assessment and declared that:</p> <ol style="list-style-type: none">i. They have no interest or ties in the Company that could adversely affect independent and objective judgement and place the interest of the Company above all other interests; andii. They have met the criteria for independence set out in Chapter 1 of the Bursa Malaysia Main Market Listing Requirement ("MMLR") and they continue to be able to exercise independent judgement and to act in the best interest of the Company. <p>The Board will engage independent experts to facilitate objective and candid board evaluations at least once in every 5 years.</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 6.1

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 remuneration policy of the Board provides that all Executive Directors and Senior Management are remunerated based on the Group's and individual's performances, market conditions and their responsibilities. On the other hand, the remuneration policy for Independent Director is to avoid creating conflicting interest with their responsibility for bringing objective and independent judgement on matters discussed in the board meeting.</p> <p>Independent Directors are entitled for fees only, which is determined in aggregate based on their collective experience, level of responsibilities assumed in the Board Committees, their attendance and/or special skills and expertise they bring to the Board.</p> <p>This policy is stated and published in the Board Charter.</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	:	<p>The Remuneration Committee comprise of 5 Independent Non-Executive Directors and the present members of the Remuneration Committee are as follows:-</p> <p>Ms Kang Hui Ling Chairman (Senior Independent and Non-Executive)</p> <p>Ms Lim Ts-Fei Director (Independent and Non-Executive)</p> <p>Dr Wong Kai Fatt Director (Independent and Non-Executive)</p> <p>Mr Chow Yoon Sam Director (Independent and Non-Executive)</p> <p>Mr Lee Wai Kuen Director (Independent and Non-Executive)</p> <p>The terms of reference of the Remuneration Committee are published in the corporate website.</p> <p>Before the finalisation of the Annual Report, the Remuneration Committee has commissioned a limited review of the Board's remuneration. The objective of this review is to make a comparison between the Board's remuneration of Ekovest against other PLCs with similar industries and market capitalisation. Based on this limited review, the Board resolved that they will propose to shareholders in</p>

	the coming Annual General Meeting to increase the director fee from RM20,000 to RM30,000 per director.	
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	:	<table border="1"> <thead> <tr> <th rowspan="2">Received from the Company</th> <th colspan="5">Independent Non-Executive Directors</th> <th rowspan="2">Total (RM)</th> </tr> <tr> <th>Dr. Wong Kai Fatt (RM)</th> <th>Lim Ts-Fei (RM)</th> <th>Kang Hui Ling (RM)</th> <th>Chow Yoon Sam (RM)</th> <th>Lee Wai Kuen (RM)</th> </tr> </thead> <tbody> <tr> <td>Directors' Fee</td> <td>30,000</td> <td>30,000</td> <td>30,000</td> <td>30,000</td> <td>30,000</td> <td>150,000</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th rowspan="2">Received from the Group</th> <th colspan="4">Executive Director</th> <th rowspan="2">Total (RM)</th> </tr> <tr> <th>Tan Sri Dato' Lim Kang Hoo (RM)</th> <th>Tan Sri Datuk Seri Lim Keng Cheng (RM)</th> <th>Dato' Lim Hoe (RM)</th> <th>Lim Chen Heng (RM)</th> </tr> </thead> <tbody> <tr> <td>Directors' Fee</td> <td>30,000</td> <td>30,000</td> <td>30,000</td> <td>30,000</td> <td>120,000</td> </tr> <tr> <td>Allowances</td> <td>33,000</td> <td>33,000</td> <td>--</td> <td>--</td> <td>66,000</td> </tr> <tr> <td>Salaries</td> <td>1,800,000</td> <td>960,000</td> <td>600,000</td> <td>--</td> <td>3,360,000</td> </tr> <tr> <td>Bonus</td> <td>900,000</td> <td>480,000</td> <td>300,000</td> <td>--</td> <td>1,680,000</td> </tr> <tr> <td>Benefits-in-Kind</td> <td>22,700</td> <td>35,200</td> <td>22,700</td> <td>--</td> <td>80,600</td> </tr> <tr> <td>Defined Contribution Plan</td> <td>324,000</td> <td>172,800</td> <td>108,000</td> <td>--</td> <td>604,800</td> </tr> <tr> <td>Total</td> <td>3,109,700</td> <td>1,711,000</td> <td>1,060,700</td> <td>30,000</td> <td>5,911,400</td> </tr> </tbody> </table>						Received from the Company	Independent Non-Executive Directors					Total (RM)	Dr. Wong Kai Fatt (RM)	Lim Ts-Fei (RM)	Kang Hui Ling (RM)	Chow Yoon Sam (RM)	Lee Wai Kuen (RM)	Directors' Fee	30,000	30,000	30,000	30,000	30,000	150,000	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 Heng (RM)	Directors' Fee	30,000	30,000	30,000	30,000	120,000	Allowances	33,000	33,000	--	--	66,000	Salaries	1,800,000	960,000	600,000	--	3,360,000	Bonus	900,000	480,000	300,000	--	1,680,000	Benefits-in-Kind	22,700	35,200	22,700	--	80,600	Defined Contribution Plan	324,000	172,800	108,000	--	604,800	Total	3,109,700	1,711,000	1,060,700	30,000	5,911,400
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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 2018, are as follow:																													
		<table border="1"> <thead> <tr> <th rowspan="2">Senior Management</th> <th colspan="3">Range of Remuneration</th> </tr> <tr> <th>RM250,001 – RM300,000</th> <th>RM350,001 – RM400,000</th> <th>RM400,001 – RM450,000</th> </tr> </thead> <tbody> <tr> <td>Tham Beng Choy (Chief Executive Officer, Construction)</td> <td>--</td> <td>--</td> <td>√</td> </tr> <tr> <td>Christopher Yeo Seo Huat (Head of Development)</td> <td>--</td> <td>--</td> <td>√</td> </tr> <tr> <td>Heng Hock Lai (General Manager, Construction)</td> <td>--</td> <td>--</td> <td>√</td> </tr> <tr> <td>Zulkhanine Bin Shamsusin (Project Director, Construction)</td> <td>--</td> <td>√</td> <td>--</td> </tr> <tr> <td>Zakaria Bin Shaffie (General Manager, Business Development & Operation)</td> <td>√</td> <td>--</td> <td>--</td> </tr> </tbody> </table>			Senior Management	Range of Remuneration			RM250,001 – RM300,000	RM350,001 – RM400,000	RM400,001 – RM450,000	Tham Beng Choy (Chief Executive Officer, Construction)	--	--	√	Christopher Yeo Seo Huat (Head of Development)	--	--	√	Heng Hock Lai (General Manager, Construction)	--	--	√	Zulkhanine Bin Shamsusin (Project Director, Construction)	--	√	--	Zakaria Bin Shaffie (General Manager, Business Development & Operation)	√	--	--
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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	:	Not Adopted
Explanation on adoption of the practice	:	The disclosure of top senior management remuneration are presented in the bands of RM50,000 are disclosed in Practice 7.2.

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 ARMC comprising fully Independent Non-Executive Directors and the Chairman of the ARMC, Ms. Kang Hui Ling 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	:	When considering the appointment of former key audit partner from its current External Auditor's firm, the ARMC is mindful of the minimum two (2) years cooling off period best practice under the MCCG before appointing this partner as a member of the ARMC. Presently, none of the present members of the ARMC were former audit partners of the Company's auditors.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 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 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. 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 the financial year 1993.</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	:	Adopted
Explanation on adoption of the practice	:	The members of ARMC comprising fully Independent Non-Executive Directors and the Chairman of the ARMC is not the Chairman of the Board.

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. Most of the ARMC members are financially literate and are able to understand matters under the purview of the ARMC including the financial reporting process.</p> <p>The members of ARMC has 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>Training Programmes</th><th>Date</th></tr></thead><tbody><tr><td rowspan="2">Kang Hui Ling</td><td>1) Preparing the Bursa Sustainability Reporting</td><td>6 April 2018</td></tr><tr><td>2) Financial Insights for Listed Companies</td><td>26 July 2018</td></tr><tr><td rowspan="2">Lim Ts-Fei</td><td>1) Preparing the Bursa Sustainability Reporting</td><td>6 April 2018</td></tr><tr><td>2) Financial Insights for Listed Companies</td><td>26 July 2018</td></tr><tr><td rowspan="2">Dr. Wong Kai Fatt</td><td>1) Preparing the Bursa Sustainability Reporting</td><td>6 April 2018</td></tr><tr><td>2) Financial Insights for Listed Companies</td><td>26 July 2018</td></tr><tr><td rowspan="2">Chow Yoon Sam</td><td>1) Preparing the Bursa Sustainability Reporting</td><td>6 April 2018</td></tr><tr><td>2) Financial Insights for Listed Companies</td><td>26 July 2018</td></tr><tr><td rowspan="2">Lee Wai Kuen</td><td>1) Preparing the Bursa Sustainability Reporting</td><td>6 April 2018</td></tr><tr><td>2) Financial Insights for Listed Companies</td><td>26 July 2018</td></tr></tbody></table>	Name of Directors	Training Programmes	Date	Kang Hui Ling	1) Preparing the Bursa Sustainability Reporting	6 April 2018	2) Financial Insights for Listed Companies	26 July 2018	Lim Ts-Fei	1) Preparing the Bursa Sustainability Reporting	6 April 2018	2) Financial Insights for Listed Companies	26 July 2018	Dr. Wong Kai Fatt	1) Preparing the Bursa Sustainability Reporting	6 April 2018	2) Financial Insights for Listed Companies	26 July 2018	Chow Yoon Sam	1) Preparing the Bursa Sustainability Reporting	6 April 2018	2) Financial Insights for Listed Companies	26 July 2018	Lee Wai Kuen	1) Preparing the Bursa Sustainability Reporting	6 April 2018	2) Financial Insights for Listed Companies	26 July 2018
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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 9.1

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 together with the 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 48 to 51 of this Annual Report detailing the state and fundamentals of the risk management and internal control systems in the Group as well as the review mechanism of the Board. The Board has also commented 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> <p>Going forward, the Board will implement and enhance its risk management framework covering the risk policy, risk appetite, risk assessment and define the oversight structure and review processes in 2018.</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	:	The details of the internal control features as well as the Board review of the adequacy and effectiveness of the risk management and internal control frameworks are presented in the Statement on Risk Management and Internal Control of the Annual Report.
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	:	Adopted
Explanation on adoption of the practice	:	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 reviewed and approved the Internal Audit Plan to ensure that the appropriateness of the audit plan. The ARMC also discussed with the Internal Auditor on the progress of the audit plan and ensured that the audit direction remains relevant taking into consideration any 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>A private session with the Internal Auditors will be held without the presence of management by the ARMC, if needed to allow the Internal Auditors to exchange their views freely with the ARMC.</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 carried out by IA Essential Sdn. Bhd. ("IA Essential") an internal audit consulting firm.</p> <p>The internal audit function is headed by a Director who is assisted by a manager and supported by an audit executive. The Director in charge is a qualified accountant while the rest of the team members are accounting graduates from local universities.</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>The ARMC will review the engagement between the Group and IA Essential to ensure that the Internal Auditors' objectivity and independence are not impaired or affected.</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. Presently, the stakeholders' communication is performed through the Annual Report and the various disclosures and announcements made to Bursa Securities from time to time. The results of Ekovest Group are also published quarterly in the Bursa Securities' website and these information and documents are accessible at www.bursamalaysia.com. The Company also attends to the requests for meetings from analyst and fund managers from time to time.</p> <p>The Board communicates with stakeholders by way of:</p> <ul style="list-style-type: none">i. the Annual Report, which contains the financial and operational review of the Group's business, corporate information, financial statements;ii. various announcements made to the Bursa Securities, which include announcements on quarterly results;iii. the Company website at https://ekovest.com.my; andiv. meetings with research analysts and fund managers if required to provide them with insight of business in Group and the industry. <p>Shareholders interaction during the general meetings.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company has not adopted the integrated reporting. However, the Company has continuously enhances its annual report in order to improve stakeholders' understanding and appreciation of the Company's financial results, business performance and operations of the Group.</p> <p>The information disclosed in the annual report is in line with current regulatory and statutory guidelines and the principles which underline integrated reporting that include the Company's corporate governance, performance and prospects. The Company has also reported its Sustainability Statement on pages 30 to 38 of this Annual Report and provided the actions which the Board will take to formalise the Group's sustainability framework.</p> <p>The Board will consider the resources and cost before fully adopting integrated reporting in the future.</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 in order to improve its communication with the stakeholders.
Timeframe	:	This practice will be reviewed annually in consideration of the overall market practice towards integrated reporting..

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	:	Notice of the Annual General Meeting and Annual Reports are sent to shareholders twenty eight (28) days prior to the meeting. At each Annual General Meeting, the Board encourages participation of shareholders during questions and answers sessions.	
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>At each Annual General Meeting, the Board presents the progress and performance of the Group's business and encourages participation of shareholders during questions and answers sessions. The Board Chairman and the chairpersons of Board Committees will respond to all questions raised by the shareholders during the Annual General Meeting.</p> <p>The Board will ensure its full attendance in the annual General Meeting. The respective Chairmen of the Board Committees will attend to questions raised pertaining to their duties.</p> <p>All Board members had attended the last Annual General Meeting. The shareholders questions were fully answered and responded to.</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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company holds its past years' General Meetings at venues which are accessible by shareholders and not at remote locations. Shareholders who are unable to attend the Annual General Meeting are advised that they can appoint proxies to attend and vote on their behalf by completing the proxy form enclosed in the Annual Report and depositing it at the Registered Office at least forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.</p> <p>All resolutions set out in the Notice of Annual General Meeting were put to vote by poll. An independent scrutineer was appointed to validate the vote cast in the last Annual General Meeting. The outcome of the Annual General Meeting was then announced to Bursa Securities on the same meeting day while the summary of key matters discussed during the Annual General Meeting were posted on the Company's website.</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 explore and review the availability, feasibility, cost and benefit of the technology before implementing this practice.
Timeframe	:	The measure will be reviewed annually