

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 8877  
**COMPANY NAME** : Ekovest Berhad  
**FINANCIAL YEAR** : June 30, 2022

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board understands its principal responsibilities in overseeing management performance and corporate strategies, promoting good governance and risk management, and ensuring effective succession planning and investor relation and corporate reporting of the Group.</p> <p>The Board has established Board Committees, namely Audit and Risk Management, Nomination and Remuneration Committees, to assist the Board in effectively discharging its duties and responsibilities. These Committees are empowered with the authority to examine particular issues and report to the Board with their recommendations.</p> <p>The Board is guided by its Board Charter, which outlines the Board's, Executive Chairman's, Managing Director's, Executive Director's responsibilities, the principles and practices of corporate governance to be followed, and the key matters reserved for the Board's approval.</p> <p>In discharging its responsibilities, during the financial year the Board:</p> <ul style="list-style-type: none"><li>• Conducted periodic reviews of projects and award of significant contracts as a means of ensuring proper conduct of the business and the overall performance management of the business affairs of the Group;</li><li>• Reviewed and deliberated the interim and annual financial reporting with management and External Auditors to ensure the integrity and reliability of the financial information published to assist the public, investors and shareholders in making informed decisions;</li><li>• Approved the investment and corporate exercises in consultation with corporate advisors and senior management to ensure that these potential investments and corporate exercises add value to the Company;</li></ul>

	<ul style="list-style-type: none"> <li>• Reviewed related party transactions, if any, to ensure compliance with Listing Requirements and the interest of minority shareholders are protected;</li> <li>• Reviewed Board Committees reports and approved the recommendation proposed by the Board Committees;</li> <li>• Ensure the implementation of the Group anti-corruption framework, Anti-corruption and Bribery Policy, Code of Conducts and Ethics and Whistleblowing Policy; and</li> <li>• Consulted with the Company Secretary, External and Internal Auditors and corporate finance advisors before making and disclosing information and announcements about the Group and the Company.</li> </ul>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman instils good governance practices, leadership and effectiveness of the Board by leading and navigating the Group's business directions, chairing the board meetings, encouraging participation of all Board Members; facilitating Board discussion and exchange of information to support sound decision making; liaising with the Managing Director and the Company Secretary in setting the agenda for Board meetings; ensuring that Board Members receive timely, complete and accurate information; and serving as a focal point for stakeholders' communication.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Presently, the positions of the Executive Chairman and Managing Director are separated. The primary responsibilities of the Executive Chairman are explained in Practice 1.2.  In contrast, the key responsibilities of the Managing Director are to lead the management team in planning, executing and managing the businesses and operations in the Group.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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 Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	The Chairman of the Board, Tan Sri Dato' Lim Kang Hoo, is not a member of the Board Committees nor participates in any or all these committees' meetings by invitation.
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## 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

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by a qualified and competent Company Secretary. The Company Secretary is the member of the Malaysian Institute of Chartered Secretaries and Administrators. The Company Secretary advises the Board regarding compliance with regulatory requirements, guidelines, legislations and the principles of best corporate governance practices.</p> <p>The key role and responsibilities of the Company Secretary are:</p> <ul style="list-style-type: none"><li>• To update the Board and its Committees on issues relating to corporate governance, compliance with laws, rules and regulations, procedures and protocol affecting the Company;</li><li>• To co-ordinate with the Board on the meeting agenda and schedule;</li><li>• To assist the Board in the general meeting proceedings;</li><li>• To attend and prepare minutes of Board meetings and ensure that protocol and procedures of Board meetings are adhered to and that applicable rules and regulations are complied with;</li><li>• To advise the Board on governance matters, listing requirements and related statutory obligations as well as their applications of governance practices; and</li><li>• To maintain the registers, statutory records and company secretarial documents of Ekovest Group of Companies.</li></ul> <p>The decisions for appointment and removal of Company Secretary rest with the Board.</p>
<b>Explanation for departure</b>	:	

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

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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 1.6

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company Secretary and management ensure that an adequate period of notice of Board meeting and Board papers are issued to Board Members to enable them to review and consider the agendas to be discussed and, where necessary, to obtain further information before the Board meetings.</p> <p>The deliberations and decisions at Board and Board Committees' meetings are documented in the minutes. These minutes are circulated to the Board members at least five (5) days before the next meeting is held.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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 and the key matters reserved for the Board's approval.</p> <p>The Board establishes the Board Committees, namely the Audit and Risk Management Committee, Nomination Committee, and Remuneration Committee to ensure greater objectivity and independence are provided in the deliberations of specific agenda. The roles, duties and responsibilities of the Board Committees are defined in its terms of reference respectively.</p> <p>The Board Charter is reviewed periodically or as and when the need arises to ensure that it reflects the governance expectation of the stakeholders and authorities. A copy of the Board Charter is available for reference at the Company's website at <a href="http://www.ekovest.com.my">www.ekovest.com.my</a> for stakeholders' reference.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board has defined and formalised the Code of Conduct and Ethics ("this Code"). This Code prohibits conflicts of interest, abuse of power, corruption, insider trading and money laundering and the expected actions to be taken and the responsibilities of the Board, Management and staff members towards this Code.  The details of this Code are available for reference on the Company's website.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has put in place Whistleblowing Policy and reporting channel. The Whistleblowing Policy describes the scope of the policy, the reporting procedures, and the due process that should take place.</p> <p>Stakeholders who know of or suspect a Code violation may report the incident by emailing <a href="mailto:ekovest@whistleblower.com.my">ekovest@whistleblower.com.my</a> 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>To protect the confidentiality of information and identity of the whistleblower, the Board has assigned the administration of the whistleblowing reporting channel to the Internal Auditor. No notification was received during the financial year.</p> <p>The Board has also developed and adopted the Anti-Corruption and Bribery Policy which governs the prevention of corruption and unethical practices within the Group. The Whistleblowing and Anti-Corruption and Bribery Policies are available on the Company's website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board's sustainability responsibility on ensuring that the Group's strategic plan supports long-term value creation and includes strategies on economic, environmental, and social considerations underpinning sustainability is defined in the Board Charter. The business strategy and sustainability issue are among the matters reserved for the Board's decision.</p> <p>Senior Management is responsible for identifying, implementing, assessing, monitoring, and reporting sustainability matters. The current key sustainability consideration of the Company when exercising its duties in developing and implementing company strategies, business plans, major plans of action and risk management are the employees' wellbeing, health and safety, sustainable construction methods and approaches, compliance, governance and safe &amp; inclusive shopping environment.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Company's core sustainability values and initiatives are communicated to all stakeholders through the Sustainability Statements in the Annual Report. However, the Company has not set the sustainability performance targets for their initiatives.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	The previous material sustainability matters assessment was conducted in 2018. Management will re-commission a sustainability materiality assessment to enhance the identification and prioritisation of the material sustainability matters. After that, management shall set the sustainability performance targets and timeline, and their responsibilities for achieving these targets.	
<b>Timeframe</b>	:	By 30 September 2023	

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board stays abreast with and understands the sustainability agendas relevant to the Company and its business, including climate-related risks and opportunities.</p> <p>All Directors had attended the 1 day training on “Macroeconomics &amp; Investment Strategies for Business Sustainability” organised by Asian Academy for Corporate Administration Sdn Bhd on 20 April 2022. In addition, the Board Chairman also attended a Corporate Briefing on Sustainability and Environmental, Social and Governance on 24 November 2021 organised by Tricor Axcelasia Sdn Bhd.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The performance assessment criteria on managing sustainability risks and opportunities have not been defined.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	As mentioned in Practice 4.2, the Group will re-commission a sustainability materiality assessment to enhance the identification and prioritisation of the material sustainability matters. Upon completing this exercise, the sustainability performance evaluation criteria will be defined for the Board and management.	
<b>Timeframe</b>	:	By 31/12/2023	

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.5- Step Up**

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

*Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	The Board will identify a designated person to lead, co-ordinate and manage the sustainability matters of the Company.

### Intended Outcome

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

### Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Nomination Committee reviewed the size, composition, skill mix and the performance of the Board, Board Committees and individual Director annually. Dato' Lim Hoe, Ms. Kang Hui Ling and Dr. Wong Kai Fatt were recommended by the Nomination Committee for re-election at the 36th Annual General Meeting based on their satisfactory performance results.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.2**

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Presently, the Board has nine members and two alternative directors.</p> <p>Four of the nine members are executive members, and the remaining five are Independent Non-Executive Directors constituting the majority members of the Board. A majority Independent Non-Executive Directors supports expression of objective and independent views in the Board meetings and effective oversight of management.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.3

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 provide justification and seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Applied																				
<b>Explanation on application of the practice</b>	:	<p>The Company sought Shareholders' approval at the last Annual General Meeting to retain an Independent Director, Ms. Kang Hui Ling who has served beyond nine (9) years through a two-tier voting process. The justifications for retaining her are as follows:</p> <ul style="list-style-type: none"><li>• She fulfils the independent director's criteria set out in the MMLR of Bursa Malaysia;</li><li>• She possesses relevant experience and expertise which is set out in her profile;</li><li>• Her long service with the Company enhances her knowledge and understanding of the Group's business operations, enabling her to contribute effectively to the Board.</li></ul> <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">7</td><td>Tier 1</td><td>830,526,125</td><td>100</td><td>-</td><td>-</td></tr><tr><td>Tier 2</td><td>124,380,411</td><td>99.78</td><td>274,115</td><td>0.22</td></tr></tbody></table>	Resolution No.	In Favor		Against		Number	%	Number	%	7	Tier 1	830,526,125	100	-	-	Tier 2	124,380,411	99.78	274,115	0.22
Resolution No.	In Favor			Against																		
	Number	%	Number	%																		
7	Tier 1	830,526,125	100	-	-																	
	Tier 2	124,380,411	99.78	274,115	0.22																	
<b>Explanation for departure</b>	:																					
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>																						
<b>Measure</b>	:																					
<b>Timeframe</b>	:																					

**Intended Outcome**

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

**Practice 5.4 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
<b>Application</b>	: Not Adopted
<b>Explanation on adoption of the practice</b>	: The Board does not have a formal policy limiting the tenure of independent directors to nine (9) years. Going forward, as per Bursa's Listing Requirements, the Board will adhere to twelve years tenure limit of an Independent Director by 31 May 2023.

## Intended Outcome

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

## Practice 5.5

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.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

<b>Application</b> :	Applied																																																																				
<b>Explanation on application of the practice</b> :	<p>The appointment of Board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age and gender. The NC will also consider the time commitment and participation of new candidate and existing Directors to ensure that they can devote sufficient time to serve the Board effectively.</p> <p>The Board consists of experienced entrepreneurs and professionals in construction, property development, engineering, audit, finance, accounting, equity market research and legal practice. Followings are the analysis of the age distribution and skillsets of the Board members and key senior management:</p> <table border="1"> <thead> <tr> <th rowspan="2">Age Group/ Gender</th> <th colspan="2">27-36 years</th> <th colspan="2">37-46 years</th> <th colspan="2">47-56 years</th> <th colspan="2">57-66 years</th> <th colspan="2">67-76 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>1</td> <td>1</td> <td></td> <td>1</td> <td>3</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 &amp; 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> <p>In conjunction with the recent enhancement of the Listing Requirements, the Board has defined the fit and proper policy and published it on the corporate website. This policy serves as a guide to the Nomination Committee and the Board to review and assess the candidates to be appointed onto the Board as well as Directors seeking for election or re-election.</p>											Age Group/ Gender	27-36 years		37-46 years		47-56 years		57-66 years		67-76 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		1	3				Skill	Business Management / Others	Accounting & Finance Management	Engineering	Legal	Number of Directors	4	2	1	2	Number of Key Senior Management	3	1	2	
Age Group/ Gender	27-36 years		37-46 years		47-56 years		57-66 years		67-76 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		1	3																																																														
Skill	Business Management / Others	Accounting & Finance Management	Engineering	Legal																																																																	
Number of Directors	4	2	1	2																																																																	
Number of Key Senior Management	3	1	2																																																																		
:																																																																					

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

### Intended Outcome

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

### Practice 5.6

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.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>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.</p> <p>During the financial year, no new Director was appointed. Nonetheless, as mentioned in Practice 5.1, annual performance review conducted by the Nomination Committee that comprising fully Independent Directors revealed that the Executive Director's performance is satisfactory.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors' Profile had been disclosed in the annual report and published on the Company's corporate website for shareholder's reference. These include their age, gender, nationality, length of service, designation, memberships in the Board Committees, other directorships in public listed and non-listed public companies, academic/professional qualifications, working experience and occupation, and family relationship with any Director and/or major shareholder of the Company. Shareholders could also ascertain the interest, position or relationship of the Directors based on their Analysis of Shareholdings, Related Party Disclosures, Directors' Remuneration and attendance of meetings in the annual report and evaluate if the Directors have discharged their duties in the interest of the Company.</p> <p>The Board has provided statement supporting the re-appointment of Ms. Kang Hui Ling in the Explanatory Notes accompanying the Notice of AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Nominating Committee is chaired by Ms. Lim Ts-Fei, an Independent Director.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board has three (3) female members constituting one third of the nine (9) Board members.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.10**

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The gender diversity principle is provided in the Board Charter.</p> <p>The Company has disclosed its consideration of gender diversity in Board and senior management selection and appointment in Corporate Governance Overview Statement. 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.</p> <p>Presently, the Board has three (3) female members constituting one third of the Board Members.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 6.1

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 its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>During the financial year, the Nomination Committee 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 comprising 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 objectively.</p> <p>The Board had engaged a human resource consulting firm to conduct an assessment on the board and selected individual directors' performance during 2020 financial year.</p> <p>In absentia of Ms. Kang Hui Ling, the Nomination Committee Chairperson and 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 nine years and recommended to the Board for proposing the resolutions to Shareholders for retaining her as Independent Director in the Board in the last AGM.</p>

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

### 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 7.1

The board has remuneration 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 remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has defined its remuneration policy in its Board Charter which was published on 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, the skills and expertise they bring to the Board.</p> <p>The determination of directors' remuneration is subject to Board's approval. The director concerned would 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>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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 7.2

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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Remuneration Committee comprises five (5) five Independent Non-Executive Directors. 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.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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 8.1**

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The details of the remuneration for Directors during the financial year 2022 are as follows:

No	Name	Directorate	Company ('000)								Group ('000)							
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Defined contribution plan	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Defined contribution plan	Total
1	<b>Dr. Wong Kai Fatt</b>	Independent Director	30	-	-	-	-	-	-	30	-	-	-	-	-	-	-	-
2	<b>Lim Ts-Fei</b>	Independent Director	30	-	-	-	-	-	-	30	-	-	-	-	-	-	-	-
3	<b>Kang Hui Ling</b>	Independent Director	30	-	-	-	-	-	-	30	30	-	-	-	-	-	-	30
4	<b>Chow Yoon Sam</b>	Independent Director	30	-	-	-	-	-	-	30	30	-	-	-	-	-	-	30
5	<b>Lee Wai Kuen</b>	Independent Director	30	-	-	-	-	-	-	30	-	-	-	-	-	-	-	-
6	<b>Tan Sri Dato' Lim Kang Hoo</b>	Executive Director	30	-	225	-	-	-	9	264	25	84	360	450	57.9	-	32.4	1,009.3
7	<b>Tan Sri Datuk Seri Lim Keng Cheng</b>	Executive Director	30	-	195	-	22.7	-	23.4	271.1	-	84	117	-	-	-	14.04	215.04
8	<b>Dato' Lim Hoe</b>	Executive Director	30	-	234	180	22.7	-	15	481.7	-	-	-	-	-	-	-	-
9	<b>Lim Chen Thai</b>	Executive Director	30	-	233	60	31.15	-	35.16	389.31	-	66	-	-	-	-	-	66
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here		Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here		Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here		Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here		Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here		Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here		Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here		Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here		Input info here

14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here		Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here		Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here		Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here		Input info here

### 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 8.2

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.

<b>Application</b>	:	Applied – the company discloses the remuneration of members senior management who are not members of the board				
<b>Explanation on application of the practice</b>	:	Details of the remuneration of the Top 5 senior management (including salary, bonus, benefits in-kind and other emoluments) during the financial year 2022, are as follow:				
			<b>Range of Remuneration (RM)</b>			
		<b>Senior Management</b>	<b>150,001 – 200,000</b>	<b>250,001 – 300,000</b>	<b>300,001 – 350,000</b>	<b>400,001 – 450,000</b>
		Jennifer Kuek (Head of Assets Management- Ekovest Capital Sdn Bhd)	-	-	-	√
		Tham Beng Choy (Chief Executive Officer- Ekovest Construction Sdn Bhd)	-	-	√	-
		Loh Pak Chun (General Manager- Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd)	-	√	-	-
		Kharul Anuar Abdul Basit (General Manager- Ekovest Project Management Sdn Bhd)	-	√	-	-
		Hizmi Ghazali (General Manager- The Loaf Asia Sdn Bhd)	√	-	-	-
<b>Explanation for departure</b>	:					
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>						
<b>Measure</b>	:					

<b>Timeframe</b>	:		
------------------	---	--	--

**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 8.3 - Step Up**

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

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	The disclosure of top 5 senior management remuneration presented in the band of RM50,000 in Practice 8.2 has substantially reflected the amount of remuneration received by these senior management.

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

**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 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Presently, the Audit and Risk Management Committee ("ARMC") members comprise fully Independent Non-Executive Directors. The Chairperson of the ARMC is Ms. Kang Hui Ling who is not the Chairman of the Board.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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 9.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Audit Committee Terms of Reference provide that a former key audit partner shall observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee. Nonetheless, none of the members of the Audit Committee is a former partner of the audit firm of the Group.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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 7-years engagement partner rotation policy.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	As reported in Practice 9.1, the ARMC comprises solely Independent Non-Executive Directors since 26 May 2011.

## 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 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent 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.

<b>Application</b> :	Applied																						
<b>Explanation on application of the practice</b> :	<p>The Board has established an effective and independent ARMC. The ARMC possess a wide range of skills to discharge its duties. Most members are financially literate and understand matters under the purview of the ARMC.</p> <p>The trainings 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="3">Kang Hui Ling</td><td>Tax Governance</td><td>13.1.2022</td></tr><tr><td>AOB conversation with audit committees</td><td>07.04.2022</td></tr><tr><td>Macroeconomics &amp; Investment Strategies for Business Sustainability</td><td>20.04.2022</td></tr><tr><td>Lim Ts-Fei</td><td>Macroeconomics &amp; Investment Strategies for Business Sustainability</td><td>20.04.2022</td></tr><tr><td>Chow Yoon Sam</td><td>Macroeconomics &amp; Investment Strategies for Business Sustainability</td><td>20.04.2022</td></tr><tr><td>Dr. Wong Kai Fatt</td><td>Macroeconomics &amp; Investment Strategies for Business Sustainability</td><td>20.04.2022</td></tr><tr><td>Lee Wai Kuen</td><td>Macroeconomics &amp; Investment Strategies for Business Sustainability</td><td>20.04.2022</td></tr></tbody></table> <p>Based on the annual board committee assessment, the Board is satisfied with the performance of the ARMC and its individual members in discharging their duties in accordance with its terms of reference.</p>	Name of Directors	Trainings	Date	Kang Hui Ling	Tax Governance	13.1.2022	AOB conversation with audit committees	07.04.2022	Macroeconomics & Investment Strategies for Business Sustainability	20.04.2022	Lim Ts-Fei	Macroeconomics & Investment Strategies for Business Sustainability	20.04.2022	Chow Yoon Sam	Macroeconomics & Investment Strategies for Business Sustainability	20.04.2022	Dr. Wong Kai Fatt	Macroeconomics & Investment Strategies for Business Sustainability	20.04.2022	Lee Wai Kuen	Macroeconomics & Investment Strategies for Business Sustainability	20.04.2022
Name of Directors	Trainings	Date																					
Kang Hui Ling	Tax Governance	13.1.2022																					
	AOB conversation with audit committees	07.04.2022																					
	Macroeconomics & Investment Strategies for Business Sustainability	20.04.2022																					
Lim Ts-Fei	Macroeconomics & Investment Strategies for Business Sustainability	20.04.2022																					
Chow Yoon Sam	Macroeconomics & Investment Strategies for Business Sustainability	20.04.2022																					
Dr. Wong Kai Fatt	Macroeconomics & Investment Strategies for Business Sustainability	20.04.2022																					
Lee Wai Kuen	Macroeconomics & Investment Strategies for Business Sustainability	20.04.2022																					
:																							

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

**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 10.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for overall 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 primarily responsible for managing risks in the Group.</p> <p>The Statement on Risk Management and Internal Control is set out on pages 41 to 43 of the 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 of the existing level of systems of risk management and internal control.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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 ARMC assisted the Board in overseeing the risk management and internal control systems of the Group. The procedures adopted by the ARMC in its oversight process include:</p> <ul style="list-style-type: none"> <li>i. Reviewing the integrity of the interim financial results, annual report and audited financial statements in consultation with Management;</li> <li>ii. Evaluating the adequacy and effectiveness of the internal control systems based on the audit findings and timeliness of action taken by Management, reported by the Internal Auditors;</li> <li>iii. Discussing with Management during the meetings on business and operational issues as well as the measures taken by Management to mitigate and manage the business and operational challenges;</li> <li>iv. Studying the External Audit Memorandum on the annual audit findings and risk and control issues noted by them during their statutory audit; and</li> <li>v. Seeking Management's assurance that the Group's risk management and internal control systems are adequate and effective in all material aspects.</li> </ul>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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 10.3 - 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.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Board has established a combined audit and risk management function 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 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The ARMC is assisted by an Internal Audit function, which is currently managed by IA Essential Sdn Bhd, an internal audit firm.</p> <p>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 covering the audit planning, execution, documentation, communication of findings and consultation with key stakeholders. Besides reviewing the internal control systems, the Internal Auditor also assesses the governance, risk management and anti-corruption practices of the Group.</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, if needed to allow the Internal Auditors to exchange their views freely with the ARMC.</p> <p>ARMC will perform the performance assessment as and when the internal auditor has presented the internal audit report to ARMC. In carrying out the performance assessment, ARMC will consider the quality of services and report provided; sufficiency of consultancy firm resources; and independence, objectivity, and professional scepticism.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## 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 11.2

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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 Malaysia Institute of Certified Public Accountants and the Institute of Internal Auditors Malaysia while the team members are accounting graduates.</p> <p>The Internal Auditors perform their work with reference to the principles of the International Professional Practice Framework of the Institute of Internal Auditors covering the conduct of the audit planning, execution, documentation, communication of findings and consultation with key stakeholders.</p> <p>The Audit Committee also reviews the internal audit engagement to ensure that the Internal Auditors' objectivity and independence are not impaired or affected.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group believes that clear and consistent communication with investors promotes a better appreciation of the Company's business and activities and allows the Group's business and prospects to be evaluated appropriately. Following are the means and approaches used by the Board in communicating with stakeholders:</p> <ul style="list-style-type: none"><li>i. Annual Report, which contains the financial and operational review of the Group's business, corporate information, and financial statements;</li><li>ii. Announcements to the Bursa Securities;</li><li>iii. Company website at <a href="https://ekovest.com.my">https://ekovest.com.my</a>, where shareholders or investors may access information on the Group under the "Investor Relations" link encompassing financial, stock information, announcements to Bursa Securities and various governance policies and Board Committees' terms of references;</li><li>iv. Shareholders interaction during general meetings; and</li><li>v. Meetings with analysts and fund managers, if required to provide insight into the Group.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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 12.2**

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Company has not adopted the integrated reporting. Nonetheless, 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 32 of its Annual Report and is mindful of providing meaningful information in the Annual Report 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>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>In the last AGM, the company had issued its notice of AGM twenty-eight (28) days prior to the meeting.</p> <p>The Board will continue to ensure that the Notice of the AGM is sent to shareholders at least 28 days ahead of the date of general meeting. Also, the Board will ensure that this Notice contains details of resolutions proposed along with background information and relevant explanatory notes.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 13.2**

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<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 attended the last AGM and the Chairmen of the respective Board Committees and Executive Directors had availed themselves to answer to shareholders' queries.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The last AGM was held on 13 December 2021 via online meeting platform at <a href="https://dvote.my">https://dvote.my</a> provided by Dvote Services Sdn. Bhd. The platform provider assured the Board of the cyber hygiene, privacy and protection of the shareholders' personal data.</p> <p>Shareholders who were unable to attend the last AGM have appointed proxies to attend and vote on their behalf.</p> <p>The resolutions were approved by way of poll via electronic voting. The results of the poll were validated by Coopers Professional Scrutineers, an Independent Scrutineer appointed by the Company. The outcome of the AGM was announced to Bursa Securities on the same meeting day.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>To encourage shareholders to participate and raise their questions, the Board understand the importance of allocating sufficient time for Q&amp;A session and to respond to each question fully and to provide clarification adequately.</p> <p>During the Q&amp;A session of the last AGM, there were 36 questions raised by the shareholders and the Board had responded to these questions point-by-point.</p> <p>For the benefit of those shareholders who could not attend the AGM, the polling results and summary of the matters discussed during the AGM were announced to the Bursa Securities and published in the Company's corporate website.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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

### Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	The Company has leveraged information technology in organising its General Meetings virtually. Besides ensuring the security of the system in protecting data privacy and preventing cyber threats, the virtual meeting host also provided the required infrastructure and tools to support the broadcast of the general meeting and questions raised are made visible to participants during the meeting.
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

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

**Practice 13.6**

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: Minutes of the previous Annual and Extraordinary General Meetings were published on the Company's website at <a href="https://ekovest.listedcompany.com/minutes_of_agm.html">https://ekovest.listedcompany.com/minutes_of_agm.html</a> within 30 days after the meetings.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**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.*

Click or tap here to enter text.