

# SUSTAINABILITY

## Statement

### ABOUT THIS STATEMENT

#### Overview

This Statement outlines Ekovest Berhad and its subsidiaries' ("**Ekovest**" or "**the Group**") Environmental, Social and Governance ("**ESG**") performance and initiatives for the financial period 1st July 2023 to 30th June 2024 ("**FYE2024**"). Due to the challenging financial conditions, we need to refocus on our core business to safeguard employee well-being while ensuring the interests of investors and shareholders are aligned and protected. Despite that, we strive to continue prioritising a balance between economic growth, environmental stewardship, and social responsibility, ensuring that our business contributes positively to the communities we serve while minimising our environmental impacts. While we understand the importance of setting targets, we believe more data are needed to establish realistic, measurable, and achievable ESG goals and targets aligned with industry benchmarks and our business strategy.

During this reporting year, we initiated our first direct engagement with stakeholders, focusing on key ESG issues. The insights gained from this process are detailed in the subsequent sections.

#### Scope and Basis of Scope

As we pursue our goal of expanding the Group into a larger and more diverse conglomerate, our responsibilities for sustainability have continued to grow. Building on last year's efforts, our Sustainability Statement continues to cover the ESG performances of the Construction and Highway segments.

For the first time in our Sustainability Statements, our performance data of the Mall, Hotel and Property Development segments will be reported for FYE2024, unless otherwise specified.

Our ESG performance of the Plantation segment will be reported separately in PLS Plantations Berhad's Annual Report.

#### BUSINESS SEGMENT ENTITIES/ SUBSIDIARIES

BUSINESS SEGMENT	ENTITIES/ SUBSIDIARIES
 Construction	<ul style="list-style-type: none"> <li>• Ekovest Berhad</li> <li>• Ekovest Construction Sdn Bhd</li> </ul>
 Highway	<ul style="list-style-type: none"> <li>• Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd</li> <li>• Lebuhraya Duke Fasa 3 Sdn Bhd</li> </ul>
 Property Development	<ul style="list-style-type: none"> <li>• Ekovest Capital Sdn Bhd</li> <li>• Ekovest Land Sdn Bhd</li> </ul>
 Mall	<ul style="list-style-type: none"> <li>• Ekovest Capital Sdn Bhd</li> </ul>
 Hotel	<ul style="list-style-type: none"> <li>• Duke Hotels Sdn Bhd</li> </ul>

#### Reporting Framework

This Statement has been developed according to Paragraph 6, Part III Sustainability Statement of Practice Note 9 of the Bursa Malaysia's ("**Bursa**") Main Market Listing Requirements and guided by Bursa's Sustainability Reporting Guide (3rd Edition).

## **Sustainability** *Statement*

### OUR APPROACH TO SUSTAINABILITY

#### Sustainability Governance

To achieve effective sustainability governance, the Board assumes the responsibility to oversee the Group's ESG management, ensuring the Group's strategic planning supports long-term value creation, incorporating economic, environmental, and social considerations. Additionally, the Board stays informed on sustainability issues relevant to the Group's business. The Senior Management is responsible for establishing and ensuring the effectiveness of internal controls, ethics, and compliance programmes or measures to comply with applicable laws, regulations, and standards. With this, the Group has appointed its Executive Director, Mr. Lim Chen Thai, to be responsible for the strategic management and, with the assistance of the Head of Departments, to implement the ESG strategies on a day-to-day basis.



#### Assurance

Our Sustainability Statement has been subjected to internal review by the management. The Board will consider the engagement of an independent verification of the Sustainability Statement in the future if deemed necessary.

## *Sustainability Statement*

### OUR APPROACH TO SUSTAINABILITY (CONT'D)

#### Stakeholder Engagement

In order to accommodate the variety of business activities, the Group used various engagement methods in engaging with the stakeholders in the course of its operations to address each specific area of interest. Our key stakeholder groups include employees, clients/customers, shareholders/investors, subcontractors and suppliers, and regulatory bodies/governments. Our ongoing engagement with these key stakeholders is summarised as follows.

Key Stakeholders	Areas of Concern	Engagement Methods	Engagement Frequency
Employees	<ul style="list-style-type: none"> <li>• Remuneration and rewards</li> <li>• Career development</li> <li>• Health, safety and well-being</li> <li>• Training and development</li> </ul>	<ul style="list-style-type: none"> <li>• On-boarding induction</li> <li>• Health and safety briefing</li> <li>• Meetings and internal communications</li> </ul>	<ul style="list-style-type: none"> <li>• As and when required</li> <li>• Weekly</li> <li>• Weekly</li> </ul>
Clients/ Customers	<ul style="list-style-type: none"> <li>• Compliance with Health, Safety and Environment (“HSE”) policies and requirements</li> <li>• Quality of work and services</li> <li>• Customer experience</li> </ul>	<ul style="list-style-type: none"> <li>• HSE audits and inspections</li> <li>• Project meetings, quality control and audit at sites</li> <li>• Company’s website</li> </ul>	<ul style="list-style-type: none"> <li>• As and when required</li> <li>• Weekly</li> <li>• On-going</li> </ul>
Shareholders/ Investors	<ul style="list-style-type: none"> <li>• Impact of government policies and regulations</li> <li>• Financial performance and growth</li> <li>• Business strategies</li> <li>• Corporate governance and risk management</li> </ul>	<ul style="list-style-type: none"> <li>• Annual general meetings</li> <li>• Meeting with analysts</li> </ul>	<ul style="list-style-type: none"> <li>• Yearly</li> <li>• At least twice in a year</li> </ul>
Subcontractors and Suppliers	<ul style="list-style-type: none"> <li>• Legal compliance and contractual commitments</li> <li>• HSE practices and compliance</li> <li>• Fair and transparent tender</li> </ul>	<ul style="list-style-type: none"> <li>• Subcontractor and supplier performance evaluation</li> <li>• Site meeting and discussion</li> <li>• Tender and bidding processes</li> <li>• Participation in HSE Committee meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Yearly</li> <li>• On-going</li> <li>• On-going</li> <li>• On-going</li> </ul>
Regulatory Bodies/ Government	<ul style="list-style-type: none"> <li>• Certification, law and regulation compliances</li> </ul>	<ul style="list-style-type: none"> <li>• Local authority visits</li> <li>• Compliance and certification exercises</li> <li>• Periodic reporting and monitoring</li> </ul>	<ul style="list-style-type: none"> <li>• As and when required</li> <li>• As and when required</li> <li>• On-going</li> </ul>

## *Sustainability Statement*

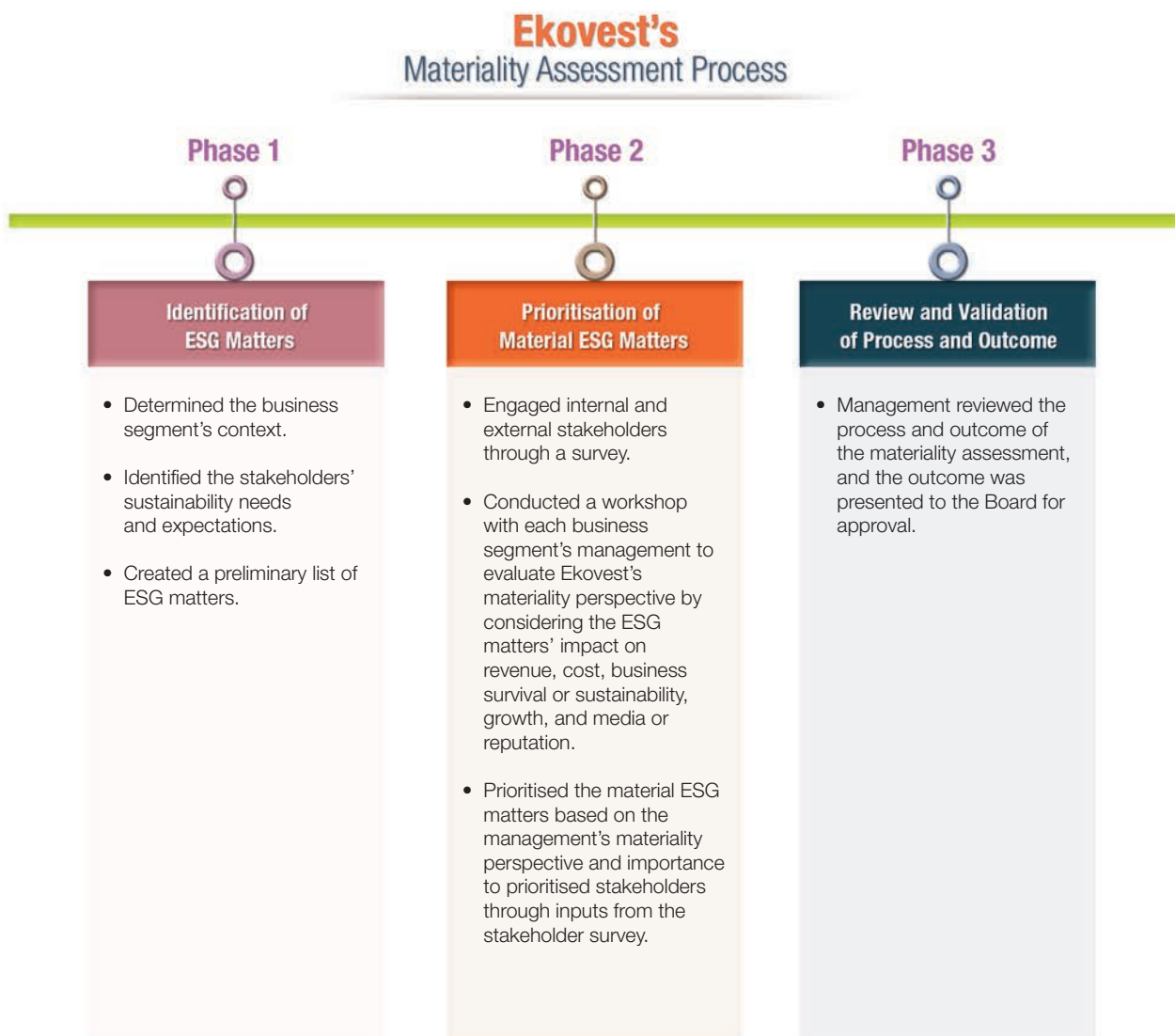
### OUR APPROACH TO SUSTAINABILITY (CONT'D)

#### Material ESG Matters

The Group strives to create long-term value for our stakeholders. We understand the importance of material ESG matters on financial growth, reduction of environmental impacts, and societal well-being. In order to align with the stakeholders' ESG expectations, we initiated a materiality assessment in FYE2024 by engaging the stakeholders via an E-survey to assess the ESG implications of our business activities.

As we have diverse business activities, our materiality assessment was carried out in stages by individual business segments with the respective stakeholders. In FYE2024, we have completed the materiality assessment for the Hotel and Highway business segments.

Our material ESG matters were identified and prioritised using a three-phase process aligned with Bursa's Sustainability Reporting Guide, as shown in the table below.



## Sustainability Statement

### OUR APPROACH TO SUSTAINABILITY (CONT'D)

#### Ekovest's Materiality Matrix FYE2024

After considering our stakeholders' influence and perceptions of the identified ESG matters, the material ESG matters for the Hotel and Highway business segments were prioritised as shown in the materiality matrices below. The reference of the number labels to the respective ESG matters is provided in the following page.



## Sustainability Statement

### OUR APPROACH TO SUSTAINABILITY (CONT'D)

#### Ekovest's Materiality Matrix FYE2024 (Cont'd)

For FYE2024, we took a step forward from our ESG matters introduced in FYE2023 with the addition of 9 ESG matters marked with asterisk (\*) as below.

FYE2024	FYE2023
<b>Environmental</b>	
<ol style="list-style-type: none"> <li>1. Energy Management</li> <li>2. *Emissions Management</li> <li>3. *Biodiversity</li> <li>4. *Materials</li> <li>5. Water</li> <li>6. Waste Management</li> </ol>	<ul style="list-style-type: none"> <li>• Sustainable Construction Management</li> </ul>
<b>Social</b>	
<ol style="list-style-type: none"> <li>7. Labour Practices and Standards</li> <li>8. Occupational Safety and Health</li> <li>9. Community and Social Involvement<sup>(1)</sup></li> <li>10. Diversity</li> <li>11. Charity and Philanthropy<sup>(1)</sup></li> </ol>	<ul style="list-style-type: none"> <li>• Health and Safety</li> <li>• Labour Practices</li> <li>• Diversity</li> <li>• Community and Society</li> </ul>
<b>Governance</b>	
<ol style="list-style-type: none"> <li>12. Sustainability Governance<sup>(2)</sup></li> <li>13. Corporate Code of Conduct and Ethics<sup>(2)</sup></li> <li>14. *Assurance</li> <li>15. *Risk Management</li> <li>16. *Regulatory and Legal Compliance</li> <li>17. Customer Privacy and Cybersecurity</li> </ol>	<ul style="list-style-type: none"> <li>• Anti-corruption and Bribery</li> <li>• Data Privacy and Security</li> <li>• Governance</li> </ul>
<b>Economics</b>	
<ol style="list-style-type: none"> <li>18. *Financial and Operational Performance</li> <li>19. *Innovation<sup>(3)</sup></li> <li>20. *Green Operating Approaches, Methods and Procedures<sup>(3)</sup></li> <li>21. Supply Chain Management</li> </ol>	<ul style="list-style-type: none"> <li>• Supply Chain Management</li> </ul>

Out of these 21 matters, we recognise that **“Biodiversity”** and **“Materials”** requires further evaluation to develop a long-term management strategy. Except for this ESG matter, the governance (**“Assurance”**, **“Risk Management”** and **“Regulatory and Legal Compliance”**) which are reported in other parts of the Annual Report, and **“Financial and Operational Performance”** which is reported in the Financial Statements, the remaining 16 ESG matters are presented under 3 main themes and 11 key material matters to align with Bursa's common and sector- specific sustainability matters.

**Note:**

<sup>(1)</sup> **“Community and Social Involvement”** and **“Charity and Philanthropy”** are managed under **“Community and Society”**.

<sup>(2)</sup> **“Sustainability Governance”** and **“Corporate Code of Conduct and Ethics”** are managed under **“Anti-corruption and Bribery”**.

<sup>(3)</sup> **“Innovation”** and **“Green Operating Approaches, Methods and Procedures”** are collectively managed under the Environmental and Social theme.

## Sustainability Statement

### MANAGEMENT OF ESG MATTERS

This section discusses our approach to managing the key material ESG matters. In addition to the Highway and Construction business segments' performance data reported in FYE2023, our ESG performance in FYE2024 includes three additional business segments: Mall, Hotel, and Property Development, unless specified otherwise. We have prioritised these key business segments for managing these ESG matters to better consolidate our resources.

### ENVIRONMENTAL



Environmental matters are becoming increasingly important to businesses worldwide as they become a focal point for investor expectations and regulatory compliance. As a diverse conglomerate with multiple lines of business, our management strategy primarily focuses on resource conservation and efficiency, which can be effectively streamlined across all our operations.

#### OUR PERFORMANCE IN FYE2024

**27,076 MW**  
TOTAL ENERGY CONSUMPTION



**20,524 tCO<sub>2</sub>e**  
TOTAL SCOPE 2 EMISSIONS



**441 ML**  
TOTAL VOLUME OF WATER USED



# Sustainability Statement

## ENVIRONMENTAL (CONT'D)

ENERGY MANAGEMENT	EMISSIONS MANAGEMENT	WATER	WASTE MANAGEMENT
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### ENERGY MANAGEMENT

#### KEY BUSINESS SEGMENT(S)



#### Our Approach

With greenhouse gas emissions being the main driver of current environmental issues, we have taken measures to reduce energy consumption and machinery and equipment emissions, which are the main contributors to our emissions.

For our Construction segment, we ensure that all vehicles, plants, and equipment are maintained in good working condition to reduce wear and tear, which can increase air and noise pollution. In the Hotel segment, we have implemented various energy-saving initiatives, including installing motion-sensor lighting in public areas, decreasing the number of corridors lighting points, replacing car park and staircases lighting with radar sensor tube lights, and automated systems to reduce chilled water usage.

#### Our Performance

In FYE2024, our total energy consumption, in the form of electricity, is 27,076.23 Megawatt, with a 0.7% increase from FYE2023. This increase is attributed to the additional input from the Hotel segment in FYE2024. We excluded the energy consumption of the Property Development segment as its energy consumption was limited to the sales gallery and was insignificant compared to the other business segments.

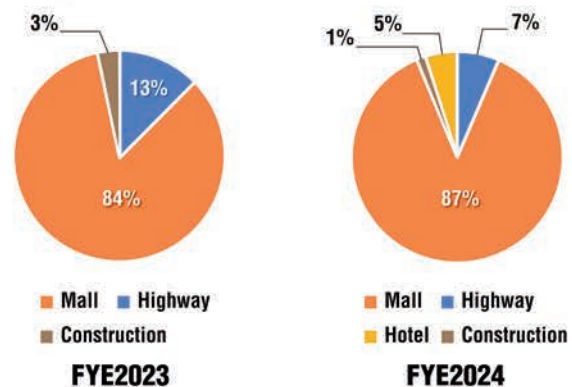
From FYE2023 to FYE2024, the Mall segment was the major contributor to the Group's energy consumption due to its high electricity usage within the mall compound.

We will continue to develop our energy efficiency initiatives in our operations. While we focus on our core business to protect employees and align investor interests, we believe that our initiatives' impact may yet to be evident in the short term.

Total Electricity Consumption, MW



ENERGY CONSUMPTION BY BUSINESS SEGMENT, %





# Sustainability Statement

## ENVIRONMENTAL (CONT'D)

ENERGY MANAGEMENT	EMISSIONS MANAGEMENT	WATER	WASTE MANAGEMENT
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### EMISSIONS MANAGEMENT

#### KEY BUSINESS SEGMENT(S)

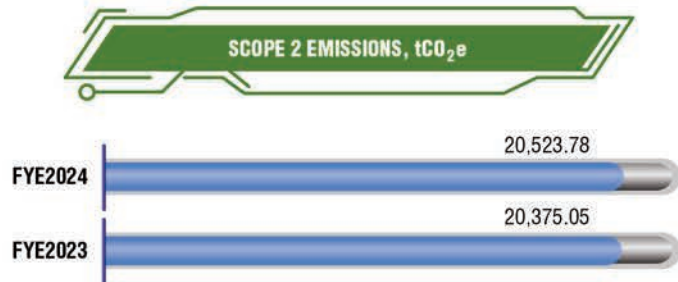


### Our Approach

As part of our efforts to streamline our management strategy across all business segments, our approach to emissions management primarily focuses on the efficient use of electricity, given its widespread application in most businesses. Additionally, data collection for Scope 2 emissions is more manageable due to the generally more accessible information. We are working towards collecting data for Scope 1 and Scope 3 emissions in the future.

### Our Performance

Our Scope 2 emissions are contributed by electricity usage, which have increased following the additional reporting of the Hotel segment in FYE2024. The Mall segment was the major contributor to the Group's Scope 2 emissions, as explained in the Energy Management section.



**Note:**

Scope 2 emission factors for electricity grids in Peninsular Malaysia are sourced from MY Energy Commission 2021 Grid Emission Factor ("GEF") in Malaysia.

# Sustainability Statement

## ENVIRONMENTAL (CONT'D)

ENERGY MANAGEMENT	EMISSIONS MANAGEMENT	WATER	WASTE MANAGEMENT
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### WATER

#### KEY BUSINESS SEGMENT(S)



### Our Approach

Water is an essential resource for all life on Earth, and its availability and quality significantly affect both ecosystems and human health. We believe that effect water management not only conserves valuable resources but also reduces costs and supports sustainable development. At Ekovest, we have prioritised our water management initiatives in two of our business segments that directly engage with customers, which are the Hotel and Mall segments.

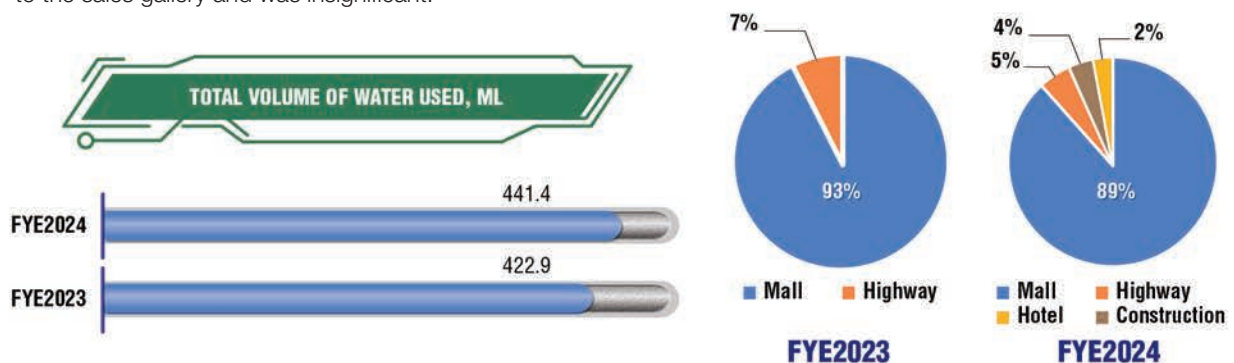
For our Hotel segment, we have installed 238 water conservation devices in the shower and hand basin areas and collected approximately 100 to 200 m3 of rainwater every quarter for use in garden landscaping and car park washing.

For our Mall segment, several measures have been implemented to improve water efficiency, such as replacing basin taps with push taps or automatic self-closing taps and reducing the speed of the domestic booster pump. Another step was tracking water loss, which allows for identifying and monitoring leaks or inefficiencies in the system. Besides that, we have also emphasised prompt repair of plumbing systems to prevent water wastage. To improve the durability and efficiency of the water distribution system, upgrading work is underway, including the replacement of PVC pipes with more durable PPR pipes. Finally, by optimising cooling towers through regular servicing, cleaning, and water treatment, these systems can operate efficiently, minimising unnecessary water usage while maintaining performance.

### Our Performance

Water consumption recorded has increased from FYE2023 to FYE2024 due to the addition of the data from the Hotel segment. The Mall segment was the largest consumer of water, as water supply to the tenants and customers is essential for the business operation. We expect some time before the results from our recently initiated water conservation initiatives become apparent.

We have decided to exclude the water usage of the Property Development segment as the water consumption was limited to the sales gallery and was insignificant.



# Sustainability Statement

## ENVIRONMENTAL (CONT'D)

ENERGY MANAGEMENT	EMISSIONS MANAGEMENT	WATER	WASTE MANAGEMENT
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### WASTE MANAGEMENT

#### KEY BUSINESS SEGMENT(S)



#### Our Approach

Waste management is a key component of our sustainability efforts, as waste disposal has a direct impact on the environment. While we are still in the process of gathering data on waste management, we are committed to developing initiatives to improve our waste management practices.

In our Construction segment, we continue reducing, reusing and recycling waste at the construction sites and reusing on-site building materials such as reusable prefabricated formwork for columns, walls and slabs. We have implemented ISO 14001:2015 on Environmental Management System, the Environmental Monitoring and Measurement Control Plan and Environmental Impact Assessment to identify and mitigate environmental impacts for the projects undertaken.

In our Hotel segment, we have introduced recycling and food waste awareness programmes, in which the hotel staff has taken part in activities to promote awareness of food waste such as food leftovers like eggshells and fruit skin, which could be used for fertiliser composition.

# Sustainability Statement

## SOCIAL



Social matters are core components of our sustainability management, encompassing all individuals within and outside our organisation. Effective management of these issues can significantly enhance our reputation, foster a positive workplace culture, and improve employee satisfaction, ultimately leading to long-term benefits for the Group. We promote diversity and inclusivity while condemning all forms of discrimination within our organisation. By cultivating a diverse workforce and fostering an inclusive environment, we aim to empower our employees and create a workplace that reflects the rich diversity of the communities we serve. At Ekovest, we recognise our responsibility to the communities we operate in, and our strategic approach to social matters involves giving back to the society in meaningful ways.

### OUR PERFORMANCE IN FYE2024

**RM 2,799,378**  
**TOTAL AMOUNT INVESTED IN COMMUNITY**



**12**  
**TOTAL NUMBER OF BENEFICIARIES\***

\* Disclosed as the number of entities

**NIL**  
**NUMBER OF WORK-RELATED FATALITIES**



**NIL**  
**LOST TIME INCIDENT RATE**

**1,114**  
**TOTAL HOURS OF EMPLOYEE TRAINING**



## Sustainability Statement

### SOCIAL (CONT'D)

HEALTH AND SAFETY	LABOUR PRACTICES	DIVERSITY	COMMUNITY AND SOCIETY
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### HEALTH AND SAFETY

#### KEY BUSINESS SEGMENT(S)



#### Our Approach

We remain committed to providing a healthy and safe working environment for our people and ensuring that our employees, suppliers, and contractors are well-equipped with knowledge of safety and health standard operating procedures.

In our Construction segment, The Hazard Identification, Risk Assessment, and Risk Control (“HIRARC”) process is mandatory for all sites. The Site Safety and Health Committee regularly holds meetings to review the process and ensure timely communication and effective implementation. Additionally, the Committee is responsible for investigating major incidents reported and implementing appropriate remedial measures to address the root causes. We have enhanced the parapet wall design from precast to cast in situ and the use of the safety platform for casting the deck slab to overcome the risk of precast panel collapse. Besides, we applied the Construction Design and Management approach, which is a practice that embeds health and safety considerations during the project execution at the design stage.

Our commitment to health and safety goes beyond our employees and extends to our customers, whose well-being is our priority. In our Hotel segment, we have initiative assessments across all the product and service categories to identify and improve any potential health and safety impacts. Additionally, we strive to ensure full compliance with all relevant regulations and voluntary codes.

#### Our Performance

We have maintained a record of no fatalities and lost time incidents in FYE2024. Additionally, we have conducted health and safety trainings for 156 employees in FYE2024 as follows.

TRAINING	DATE	NO. OF EMPLOYEE
Expressway Operation Safety Passport (EOSP)	July 2023	30
JBPM Fire Safety Seminar	July 2023	2
Free Land Spill Response	August 2023	13
First Aid, CPR & AED Trainings	October 2023	25
Emergency Response Plan & Preparedness	October 2023	16
Safety Passport Scheme Trainings	July 2023 – July 2024	51
Construction Skills Certification Scheme (CSCS)	July 2023 – June 2024	19

	FYE2024	FYE2023
Number of work-related fatalities	Nil	Nil
Lost time incident rate (“LTIR”)	Nil	Nil
Number of employees trained on health and safety standards	156	83

# Sustainability Statement

## SOCIAL (CONT'D)

HEALTH AND SAFETY	LABOUR PRACTICES	DIVERSITY	COMMUNITY AND SOCIETY
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### LABOUR PRACTICES

#### KEY BUSINESS SEGMENT(S)



### Our Approach

We highly value our employees' career growth and well-being; hence, we ensure that they are given fair treatment and opportunities to perform and showcase their talent. We prohibit and condemn inhumane practices such as forced labour, human trafficking, and modern slavery. Top management holds fortnightly engagement sessions with business heads and encourages similar engagement within their teams.

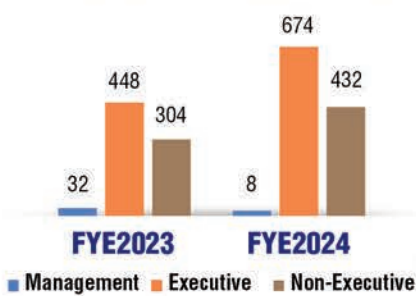
At Ekovest, employees' career progression is discussed with transparency based on their performance, allowing them to assume more responsibility and higher positions. Employee remuneration is assessed annually according to industry standards. Additionally, performance-based discretionary incentives are awarded to eligible employees based on their contributions to the Group.

Employees have the opportunity to enhance their skills and knowledge through formal and on-the-job training programmes, which are tailored to address their skill gaps, roles, and responsibilities.

### Our Performance

In FYE2024, we achieved a total of 1,114 of training hours for the total employees, compared to 784 hours in FYE2023. We also increased our number of full-time employees to 78% in FYE2024. Our headcount decreased by 15% from 710 employees in FYE2023 to 604 employees in FYE2024. Besides that, we maintained zero reported complaints concerning human rights violation.

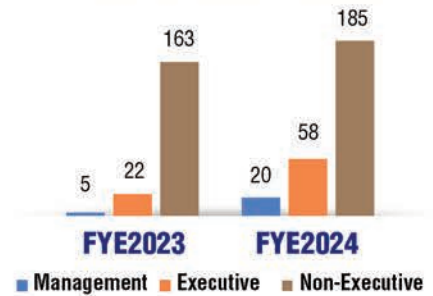
TOTAL HOURS OF TRAINING BY CATEGORY



PERCENTAGE OF EMPLOYEES THAT ARE CONTRACTUAL STAFF



EMPLOYEE TURNOVER BY CATEGORY



	FYE2024	FYE2023
Number of substantiated complaints concerning human rights violation	Nil	Nil

# Sustainability Statement

## SOCIAL (CONT'D)

HEALTH AND SAFETY	LABOUR PRACTICES	<b>DIVERSITY</b>	COMMUNITY AND SOCIETY
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### DIVERSITY

#### KEY BUSINESS SEGMENT(S)



### Our Approach

Diversity and inclusivity are pivotal to an organisation, where a diverse workforce can bring a variety of perspectives, ideas, and experiences, which leads to more creative and innovative solutions. Furthermore, prioritising diversity and inclusion attracts potential employees and enhances the organisation’s reputation. We ensure that there is no discrimination against our employees based on race, age, gender, religion, marital status, ethnicity, physical impairments, political viewpoints, or nationality.

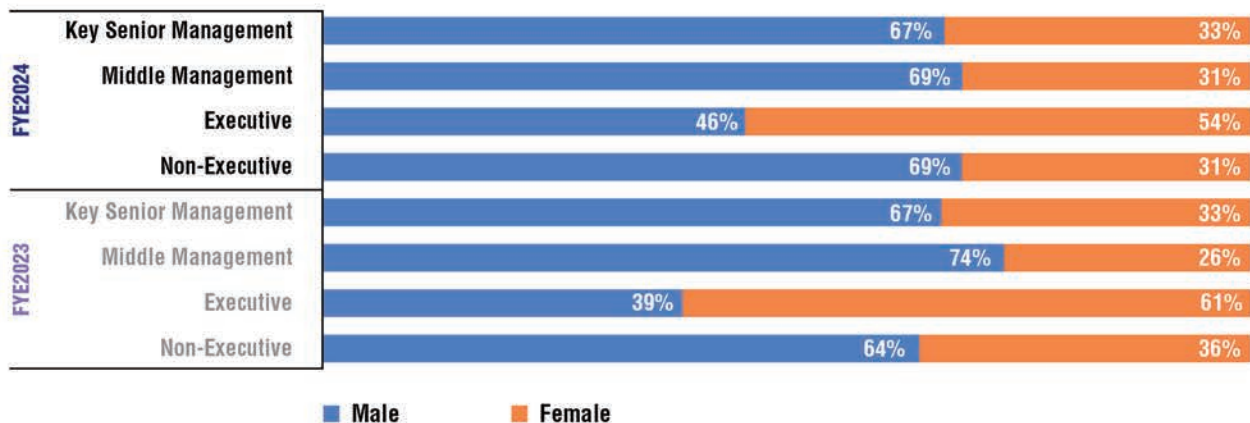
At Ekovest, diversity practices vary between business segments. The Construction and Highway segments generally feature a male-dominated workforce due to their job nature.

Meliá Diversity Week, a programme conducted by our Hotel segment, was undertaken to raise awareness and promote a culture of diversity in the workplace by focusing on generational, cultural, gender, and sexual diversity. It seeks to bridge gaps between different age groups, such as Gen X, Millennials, and Gen Z, to enhance communication and understanding. The event also celebrates cultural differences within the organisation, fostering mutual respect and inclusion. Additionally, it emphasises empowering women and promoting gender equality to create a balanced and inclusive environment where everyone feels valued.

### Our Performance

In FYE2024, the employees gender composition of the Group was 64% male and 36% female, reflecting an increase in the male from 61% in FYE2023 and a corresponding decrease in female from 39%. Our employees and directors gender and age group profiles for each employee category as of 30 June 2024 are summarised as follows.

**EMPLOYEES GENDER DIVERSITY BY CATEGORY**



■ Male      ■ Female

# Sustainability Statement

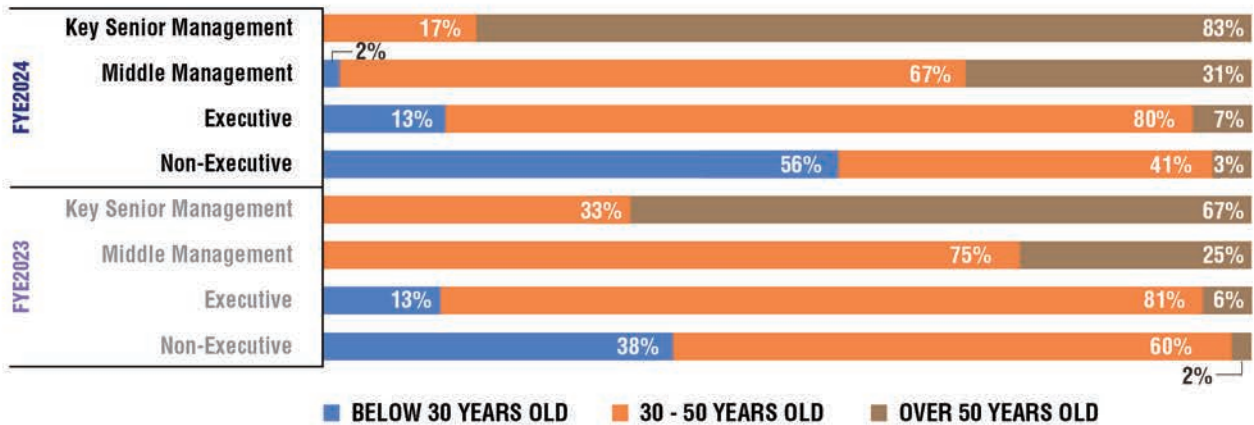
## SOCIAL (CONT'D)

HEALTH AND SAFETY	LABOUR PRACTICES	<b>DIVERSITY</b>	COMMUNITY AND SOCIETY
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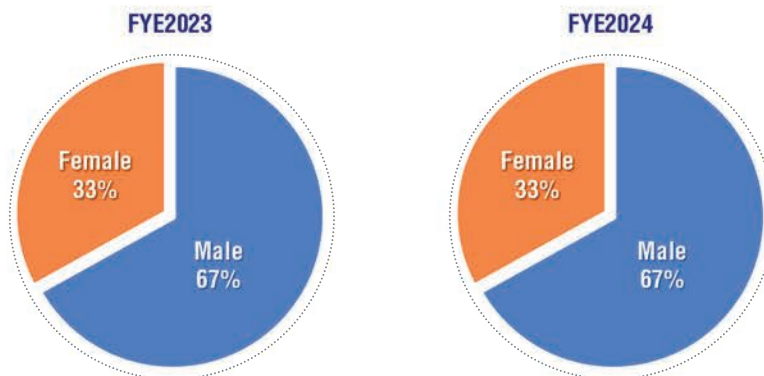
### Our Performance (Cont'd)

In FYE2024, the employees gender composition of the Group was 64% male and 36% female, reflecting an increase in the male from 61% in FYE2023 and a corresponding decrease in female from 39%. Our employees and directors gender and age group profiles for each employee category as of 30 June 2024 are summarised as follows. (Cont'd)

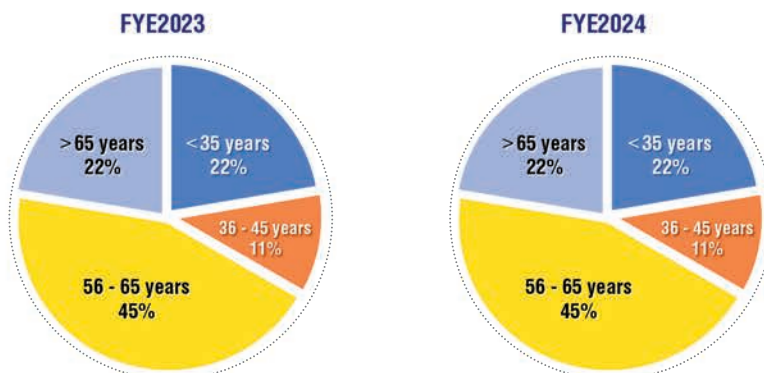
### EMPLOYEES AGE DIVERSITY BY CATEGORY



### DIRECTORS GENDER DIVERSITY



### DIRECTORS AGE GROUP DIVERSITY





## Sustainability Statement

### SOCIAL (CONT'D)

HEALTH AND SAFETY	LABOUR PRACTICES	DIVERSITY	<b>COMMUNITY AND SOCIETY</b>
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### COMMUNITY AND SOCIETY

#### KEY BUSINESS SEGMENT(S)



#### Our Approach

As a Group, we strive to create a positive impact on the communities where we operate by organising various corporate social responsibility (“CSR”) activities. Through these efforts, we have organised a range of CSR initiatives, majority from the Highway segment, aimed at promoting community spirit, enhancing health and safety, and fostering a sense of togetherness.

Our efforts to give back to society extend beyond environmental initiatives and include donations to a variety of organisations. We place a strong emphasis on providing financial support for school activities, as we believe that enhancing school programmes and creating more opportunities for students to thrive can contribute to the growth and development of the local community.

#### Our Performance

##### Community Investment

		FYE2024	FYE2023
Total amount invested in the community	MYR	2,799,378.00	908,703.70
Total number of beneficiaries*	Number	12	21

\* Disclosed as the number of entities.

# Sustainability Statement

## SOCIAL (CONT'D)

HEALTH AND SAFETY	LABOUR PRACTICES	DIVERSITY	<b>COMMUNITY AND SOCIETY</b>
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### CONTRIBUTION TO COMMUNITY



#### September 2023

DUKE Highway contributed the Sukaneka Tabika Kemas PPR (Program Perumahan Rakyat) Kg. Baru Air Panas programme.



#### September 2023

In conjunction with Malaysia Day on 16 September 2023, DUKE 3-SPE collaborated with TAR University of Management & Technology as the 'Title Sponsor' by providing venue for the Duke SPE Tarcian Run along the Setiawangsa Pantai Highway@Duke 3 to raise funds to support their students, which saw the participation of over 4,000 people.



#### October 2023

DUKE Highway contributed convocation robes to SMK Sekysen 5 Wangsa Maju.



#### November 2023

DUKE Highway donated to the Palestinian Humanitarian Fund by the Ministry of Works.

DUKE Highway contributed to the Orang Asli Student Carnival at SK Gombak Utara.



# Sustainability Statement

## SOCIAL (CONT'D)

HEALTH AND SAFETY	LABOUR PRACTICES	DIVERSITY	<b>COMMUNITY AND SOCIETY</b>
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### CONTRIBUTION TO COMMUNITY (CONT'D)



#### November 2023

DUKE Highway donated to the SK Sentul 1 Athletics Championship.

DUKE Highway contributed to the 2023 WPKL Youth Cup Sepak Takraw Tournament.



#### January 2024

DUKE Highway distributed mandarin oranges to DUKE users in celebration of Chinese New Year.



#### March 2024

On 25 March 2024, DUKE and SPE partnered with Adabi Food Industries to share blessings during Ramadhan through bubur lambuk distribution programme at the Batu Toll Plaza (DUKE) and Wangsa Maju Toll Plaza (SPE), which involved approximately 50 volunteers and distributed more than 1,200 containers of bubur lambuk.



#### June 2024

KESTURI donated to the Parent-Teacher Association (PIBG) of SMK (L) Methodist Sentul through CSR donation cheque.



# Sustainability Statement

## GOVERNANCE

**KEY MATERIAL MATTERS**

- ANTI-CORRUPTION AND BRIBERY
- DATA PRIVACY AND SECURITY
- SUPPLY CHAIN MANAGEMENT

Setting standards and promoting ethical conduct are pivotal to our business, as we are committed to maintaining our reputation and fostering trust among our stakeholders. As we continue to expand, our responsibility for effective governance grows, ensuring that we uphold the highest ethical standards in all our operations.

### OUR PERFORMANCE IN FYE2024

**26%**

**EMPLOYEES WHO RECEIVED ANTI-CORRUPTION TRAINING**



**NIL**

**NUMBER OF COMPLAINTS ON CUSTOMER PRIVACY BREACHES AND LOSS OF DATA**

**100%**

**SPENDING ON LOCAL SUPPLIERS**



## Sustainability Statement

### GOVERNANCE

ANTI-CORRUPTION AND BRIBERY

DATA PRIVACY AND SECURITY

SUPPLY CHAIN MANAGEMENT



### ANTI-CORRUPTION AND BRIBERY

#### KEY BUSINESS SEGMENT(S)



#### Our Approach

Our Board and Management remain committed to promoting bribery and corruption-free business environments across all segments. We have developed a Group Anti-Bribery and Corruption Framework and Policy to guide staff members on the Guidelines of Adequate Procedures, which was issued by the government under Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009. We have also developed a Corporate Code of Conduct and Ethics and a Whistleblowing Policy to promote integrity and transparency.

#### Our Performance

In FYE2024, all our new employees received training on anti-corruption during the onboarding process.

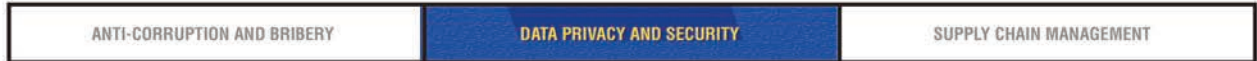
	FYE2024	FYE2023
Percentage of employees who received training on anti-corruption	26%	22%
Percentage of operations assessed for corruption-related risks	100%	100%
Confirmed incidents of corruption and action taken	Nil	Nil

A breakdown of our employees trained on anti-corruption based on employee category is as follows.

	FYE2024
Percentage of employee who received training on anti-corruption by category	
Management	12%
Executive	20%
Non-Executive	33%

# Sustainability Statement

## GOVERNANCE



### DATA PRIVACY AND SECURITY

#### KEY BUSINESS SEGMENT(S)



#### Our Approach

Across the globe, demand for cybersecurity is increasing as data leaks and cyberattacks are of growing concern to organisations worldwide. These have the potential to cause economic and reputational losses for the organisations involved. This is particularly important for our Property Development segment, where critical customer data is collected as part of business operations.

At Ekovest, we strive to ensure strict policies, encryption, and employee training are conducted to protect our customers' data and to ensure there are zero breaches and compliance with data protection regulations such as the Personal Data Protection Act 2010.

#### Our Performance

In FYE2024, we maintained our record of zero substantiated complaints regarding breaches of customer privacy or data loss.

	FYE2024	FYE2023
Number of substantiated complaints concerning breaches in customer privacy or data loss	Nil	Nil

# Sustainability Statement

## GOVERNANCE (CONT'D)

ANTI-CORRUPTION AND BRIBERY	DATA PRIVACY AND SECURITY	<b>SUPPLY CHAIN MANAGEMENT</b>
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### SUPPLY CHAIN MANAGEMENT

#### KEY BUSINESS SEGMENT(S)



#### Our Approach

At Ekovest, we aim to build a supply chain that aligns with our initiatives on sustainability practices, such as ethical sourcing, environmental and social responsibility, as well as transparency and traceability. We value the trust and strong relationships with our business partners and are committed to maintaining mutually beneficial partnerships. As such, we have committed to giving local suppliers more opportunities across all business segments. By sourcing locally, we support business communities, reduce costs, increase competitiveness, and lower the carbon footprint in the business ecosystem.

#### Our Performance

In FYE2024, we have expended 100% to local companies.

		FYE2024	FYE2023	FYE2022
Proportion of spending on local suppliers	%	100	100	100

## Sustainability Statement

### PERFORMANCE DATA TABLE

INDICATOR	UNIT	FYE2024	FYE2023
<b>Energy Management</b>			
Bursa C4(a) Total energy consumption	Megawatt	27,076.23	26,880.02
<b>Emissions Management</b>			
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Tonnes CO <sub>2</sub> e	20,523.78	20,375.05
<b>Water</b>			
Bursa C9(a) Total volume of water used	Megalitres	441.4	422.9
<b>Health and Safety</b>			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost Time Incident Rate ("LTIR")	Rate	0	0
Bursa C5(c) Number of employees trained on health and safety standards	Number	156	83
<b>Labour Practices</b>			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	8	32
Executive	Hours	674	448
Non-executive	Hours	432	304
Bursa C6(b) Percentage of employees that are contract-based or temporary staff	Percentage	22	28
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	20	5
Executive	Number	58	22
Non-executive	Number	185	163
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
<b>Diversity</b>			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Gender group by employee category			
Key Senior Management – Male	Percentage	67	67
Key Senior Management – Female	Percentage	33	33
Middle Management – Male	Percentage	69	74
Middle Management – Female	Percentage	31	26
Executive – Male	Percentage	46	39
Executive – Female	Percentage	54	61
Non-executive – Male	Percentage	69	64
Non-executive- Female	Percentage	31	36



## Sustainability Statement

### PERFORMANCE DATA TABLE (CONT'D)

INDICATOR	UNIT	FYE2024	FYE2023
<b>Diversity (Cont'd)</b>			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category (Cont'd)			
Age group by employee category			
Key Senior Management – <30 years old	Percentage	0	0
Key Senior Management – 30-50 years old	Percentage	17	33
Key Senior Management – >50 years old	Percentage	83	67
Middle Management – <30 years old	Percentage	2	0
Middle Management – 30-50 years old	Percentage	67	75
Middle Management – >50 years old	Percentage	31	25
Executive – <30 years old	Percentage	13	13
Executive – 30-50 years old	Percentage	80	81
Executive – >50 years old	Percentage	7	6
Non-executive – <30 years old	Percentage	56	38
Non-executive – 30-50 years old	Percentage	41	60
Non-executive – >50 years old	Percentage	3	2
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	67	67
Female	Percentage	33	33
<35 years old	Percentage	22	22
36-45 years old	Percentage	11	11
46-55 years old	Percentage	0	0
56-65 years old	Percentage	45	45
>65 years old	Percentage	22	22
<b>Community and Society</b>			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	2,799,378.00	908,730.70
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	12	21
<b>Anti-corruption and Bribery</b>			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	12	-
Executive	Percentage	20	-
Non-executive	Percentage	33	-
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100	100
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
<b>Data Privacy and Security</b>			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
<b>Supply Chain Management</b>			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100	100

## EkoCheras Mall

# BLOOD DONATION CAMPAIGN



# ENTREPRENEUR ROADSHOW



# EkoCheras Mall



## SHOP AND CELEBRATE THE CHINESE NEW YEAR



# CORPORATE GOVERNANCE *Overview Statement*

This Corporate Governance (“CG”) Overview Statement is presented in accordance with the requirements under Paragraph 15.25(1) and the provisions in the Practice Note 9 of the Main Market Listing Requirement (“MMLR”). The Statement highlights the applications of the key corporate governance practices of the Group during the financial year ended 30 June 2024.

In addition to this CG Overview Statement, the Board has provided detailed disclosures on the application of the Malaysian Code on Corporate Governance practices in the Corporate Governance Report (“CG Report”). Shareholders may download this CG Report through the Company’s website link at [https://ekovest.listedcompany.com/statement\\_corporate\\_governance.html/](https://ekovest.listedcompany.com/statement_corporate_governance.html/)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### (I) BOARD RESPONSIBILITIES

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

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

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

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

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

The Board has formalised a Code of Conduct and Ethics (“the Code”), which outlines provisions on conflicts of interest, abuse of power, corruption, insider trading and money laundering. It also defines the expected actions and responsibilities of the Board, Management and staff in adhering to the Code.

The Board has established the Anti-Corruption and Bribery Policy, Whistleblowing Policy and reporting channel. The Whistleblowing and Anti-Corruption and Bribery Policies are available on the Company’s website. To ensure confidentiality and protect the identity of the whistleblower, the Board has assigned the administration of the whistleblowing reporting channel to the Internal Auditor. During the financial period, the Board did not receive any complaints through the whistleblowing reporting channels.

The Board has established Board Committees, namely the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee. The roles, duties and responsibilities of the Board Committees are defined in their terms of reference respectively. These Committees provide greater objectivity and independence in the deliberations of specific agendas and assist the Board in effectively discharging its duties and responsibilities.

## Corporate Governance Overview Statement

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

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

The Board meets every quarter, and other meetings are convened as and when necessary. During the financial year under review, a total of eight (8) Board meetings were held, and the record of attendances of the Directors is as follows:

Name of Directors	Total Meetings Attended
Tan Sri Dato' Lim Kang Hoo	7/8
Dato' Lim Hoe	7/8
Lim Chen Thai	7/8
Tan Sri Datuk Seri Lim Keng Cheng	8/8
Lim Ts-Fei	7/8
Lee Wai Kuen	8/8
Jasmine Cheong Chi-May	7/8
Dato' Majid Manjit Bin Abdullah	7/8
Chin Wai Kit	8/8

The Directors are updated by the Company Secretaries, External and Internal Auditors on changes in the governance and regulatory requirements relating to the Directors' duties and responsibilities. The External Auditors would also brief the Board on changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements.

The following are the training attended by the Board members:

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



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

**(II) BOARD COMPOSITION**

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

The Board recognises and embraces the benefit of gender diversity in board composition. This principle is provided in the Board Charter. The appointment of the Board and senior management is based on objective criteria, merit and with due regard for diversity in skills, experience, age and gender.

The Nomination Committee reviewed the composition of the Board, the performance of the Board, Board Committees and individual Directors and the independence status of Independent Directors. The evaluation was conducted by way of peer assessment. Overall, the Board is satisfied with the performance and effectiveness of the Board, Board Committees and individual Directors, as well as the composition of the Board members.

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

**(III) SUSTAINABILITY**

The Company's core sustainability values, initiatives and performance are communicated to all stakeholders through the Sustainability Statements in the Annual Report. The sustainability targets will be evaluated before they are set for the initiatives.

The current key sustainability considerations of the Group are energy management, emissions management, water management, waste management, materials, community/society involvement, diversity, health and safety, labour, anti-corruption and bribery, data privacy and supply chain management. (Refer to further details Sustainability Statement in the Annual Report)

Going forward, the Group will set the sustainability target and timeline, and the Board and management's actions and responsibilities for achieving these targets. Upon completing this, the sustainability performance evaluation criteria will be defined for the Board and senior management appraisal.

**(IV) REMUNERATION**

The remuneration policy defined in the Board Charter provides that all Executive Directors and Senior Management shall be remunerated based on the Group's and individual's performances, responsibilities and market conditions, whilst the Independent Director shall be remunerated based on their experience, level of responsibilities assumed in the Board Committees, the skills and expertise they bring to the Board.

The determination of Directors' remuneration requires Board approval. The director concerned would abstain from any discussions regarding their own remuneration. Pursuant to Section 230(1) of the Companies Act 2016, the directors' fees and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. The amount of the Directors' fee for the current financial year proposed for the shareholders' approval at the forthcoming AGM is RM270,000.

## Corporate Governance Overview Statement

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

#### (IV) REMUNERATION (CONT'D)

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

Name of member	Designation	Role in RC
Jasmine Cheong Chi-May	Independent Non-Executive Director	Chairlady
Lim Ts-Fei	Independent Non-Executive Director	Member
Lee Wai Kuen	Senior Independent Non-Executive Director	Member
Dato' Majid Manjit Bin Abdullah	Independent Non-Executive Director	Member
Chin Wai Kit	Independent Non-Executive Director	Member

The RC has conducted a meeting to deliberate on the remunerations of the Executive Directors and top five (5) senior management. The details of Directors remuneration for the financial year ended 30 June 2024 are as follows:

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

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

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

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

**(IV) REMUNERATION (CONT'D)**

Further details of the Directors' remuneration received at the Company and the Group levels respectively are provided in Practice 8.1 of the CG Report.

The remuneration (including salary, bonus, benefits-in-kind and other emoluments) of the top 5 senior management for the financial year 2024 are as follows:

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

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

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

Presently, the Audit and Risk Management Committee (“**ARMC**”) members comprise independent Non-Executive Directors. The ARMC is chaired by Mr. Chin Wai Kit, who is not the Chairman of the Board.

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

The ARMC will convene meetings with the External Auditors and Internal Auditors without the presence of the Executive Directors and employees of the Group if needed to allow the Auditors to exchange their views freely with the AMRC.



## Corporate Governance Overview Statement

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

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

The Board is responsible for overall oversight of risk management in the Group, while the Executive Directors and senior management team are primarily responsible for managing risks in the Group.

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

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

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

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

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

The Board is satisfied that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group and that the existing internal control and risk management systems are adequate and effective to enable the Group to achieve its business objectives. The details of the Group's systems of risk management and internal control are reported in the Statement on Risk Management and Internal Control in this Annual Report.

The Internal Audit Function is outsourced to IA Essential Sdn Bhd, an internal audit consulting firm. The Internal Auditors have conducted their work with reference to the broad principles of the International Professional Practice Framework of the Institute of Internal Auditors. Besides reviewing the internal control systems, the Internal Auditor also assesses the governance, risk management and anti-corruption practices of the Group. The details of the internal audit function are disclosed in the ARMC Report in this Annual Report.



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

**(I) COMMUNICATION WITH STAKEHOLDERS**

The Group is committed to maintaining clear and consistent communication with investors, fostering a better understanding of the Company's business and activities, and enabling an accurate assessment of its prospects. The following methods and strategies are employed by the Board to engage with stakeholders:

- i. Annual Report, which contains the financial and operational review of the Group's business, corporate information and financial statements;
- ii. Announcements to the Bursa Securities;
- iii. Company website at <https://ekovest.com.my>, where shareholders or investors may access information on the Group under the "Investor Relations" link;
- iv. Shareholders interaction during general meetings; and
- v. Meetings with analysts and fund managers, if required to provide insight into the Group.

**(II) CONDUCT OF GENERAL MEETINGS**

The Company had issued its notice of AGM twenty-eight (28) days prior to the last AGM meeting. The Board will continue to ensure that the Notice of the AGM is sent to shareholders at least 28 days in advance of the general meeting. This notice will include details of the proposed resolutions, along with background information and relevant explanatory notes.

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

During the Q&A session of the last AGM, there were 46 questions raised by the shareholders and the Board responded to these questions point-by-point. For the benefit of shareholders who were unable to attend the AGM, the polling results and a summary of the matters discussed were announced to Bursa Securities and published on the Company's corporate website.

This Corporate Governance Overview Statement was reviewed and approved by the Board on 23 October 2024.

## STATEMENT ON **RISK MANAGEMENT** & Internal Control

The Board of Directors (“**Board**”) of Ekovest Berhad is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 30 June 2024. The disclosure in this Statement is presented pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

### BOARD’S RESPONSIBILITIES

The Board recognises its overall responsibility for risk management and understands the principal risks associated with the Group’s six business segments, i.e. construction, property development, toll operation, plantation, food and beverages (“**F&B**”) and property investment. The Board accepts that all business ventures require balancing risk, control costs, and shareholder returns.

The Board has established the Audit and Risk Management Committee (“**ARMC**”) to support its oversight of the Group’s risk management and internal control systems. The ARMC carries out its duties through the following procedures:

- i. Reviewing the integrity of the interim financial results, annual report and audited financial statements in consultation with Management;
- 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;
- iii. Seeking management clarification on business and operational issues as well as the measures taken by Management to mitigate and manage the business and operational challenges;
- iv. Studying the External Audit Memorandum on the annual audit findings and risk and control issues noted by them during their statutory audit; and
- v. Obtaining assurance from Management that the Group’s risk management and internal control systems are adequate and effective in all material aspects.

### RISK MANAGEMENT

The Group’s risk management continues to be driven by the Executive Directors and assisted by the Heads of Departments. They are responsible for identifying, assessing, monitoring and managing significant risks promptly and appropriately. They also assure the Board that the Group’s risk management and internal control systems are adequate and effective.

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

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

## **Statement On** **Risk Management** & *Internal Control*

### **RISK MANAGEMENT (CONT'D)**

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

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

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

### **INTERNAL CONTROLS**

In addition to the risk management processes, the Group continues to maintain the following internal control systems and “check and balance” mechanisms:

- Clear delegation and separation of responsibilities between the Board and Management, the establishment of various Board Committees, and the inclusion of independent directors to oversee financial, compliance and operational performance;
- A well-defined organisational structure that outlines lines of responsibility and hierarchy, covering key functions such as procurement, tenders, project management, legal administration, human resources, information systems and finance;
- The Financial Assessment Committee (“**FAC**”) and Technical Assessment Committee (“**TAC**”) with a defined limit of approval for the evaluation and selection of tenders. These committees comprise Executive Board Members, Project Director, Head of Contract Department or Quantity Surveyor, Project Manager and a representative from the Finance Department;
- Contract budgeting and the review and monitoring of these budgets, project performance and variances reports for the contract jobs by the Executive Directors;
- Insurance coverage to mitigate financial risk exposure from construction activities, fire, perils, consequential loss, burglary and public liability;
- Implementation of ISO 9001:2015 on Quality Management System, ISO 14001: 2015 for Environmental Management System and ISO 45001:2018 for Occupational Health and Safety Management System; and
- Establishment and enforcement of the anti-corruption framework, corporate code of conduct and ethics, and whistleblowing policy.

During the financial year, an Anti-Corruption and Whistleblowing Notification was sent to all active business partners in the construction, property development, toll operation and F&B segments through [ekovest@whistleblower.com.my](mailto:ekovest@whistleblower.com.my). This communication aimed to inform external stakeholders of the Group’s Anti-Corruption & Bribery Policy and Whistleblowing Policy.

## Statement On **Risk Management** & Internal Control

### MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance with the Bursa Securities' Guidelines, Management is responsible for identifying risks; implementing and maintaining sound systems of risk management and internal control; and monitoring and reporting to the Board significant control deficiencies and changes in risks that could significantly affect the Group achievement of its objectives and performance.

In producing this Statement, the Board has received assurance from the Executive Directors and Chief Finance Officer that, to the best of their knowledge, the Group's risk management and internal control systems are operating adequately and effectively in all material aspects.

### BOARD ASSURANCE AND LIMITATION

This Statement is prepared under paragraph 15.26(b) of the Main Market Listing Requirements and guided by the "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers" ("**the Guidelines**"), which was endorsed by the Bursa Securities.

The Board is satisfied that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group and that the existing internal control and risk management systems are adequate and effective in enabling the Group to achieve its business objectives. No material loss resulted from significant control weaknesses for the financial year under review.

The Board wishes to reiterate that risk management and internal control systems would be continuously improved in line with the evolving business environment. However, it should be noted that risk management and internal control systems are only designed to manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems can only provide reasonable but not absolute assurance against material misstatements, fraud and losses.

### REVIEW OF STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement in accordance with the Audit and Assurance Practice Guide 3 ("**AAPG3**") issued by the Malaysia Institute of Accountants.

The External Auditors reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board and Management in reviewing the adequacy and effectiveness of the systems of risk management and internal control of the Group.

This Statement is made with the approval of the Board.

# AUDIT AND RISK MANAGEMENT *Committee Report*

## COMPOSITION AND MEETINGS

The Audit and Risk Management Committee (“ARMC”) comprises 5 Independent Non-Executive Directors. The Chairman of ARMC is Mr. Chin Wai Kit, a member of the Malaysian Institute of Accountants.

During the financial year under review, five (5) meetings were held, and the record of attendance of the members is as follows:-

Name of Member	Meeting Attendance
<b>Mr Chin Wai Kit, Chairman</b> Director (Independent and Non-Executive, MIA member)	5/5
<b>Ms Lim Ts-Fei</b> Director (Independent and Non-Executive)	4/5
<b>Mr Lee Wai Kuen</b> Director (Senior Independent and Non-Executive)	5/5
<b>Ms Jasmine Cheong Chi-May</b> Director (Independent and Non-Executive)	5/5
<b>Dato’ Majid Manjit Bin Abdullah</b> Director (Independent and Non-Executive)	5/5

The Company Secretaries are the Secretaries of the ARMC.

## TERMS OF REFERENCE

The Terms of Reference of ARMC are published on the Company’s corporate website at [http://ekovest.listedcompany.com/tor\\_ac.html](http://ekovest.listedcompany.com/tor_ac.html) for shareholders’ reference pursuant to Paragraph 9.25 of MMLR.

During the financial year, the Nomination Committee reviewed the self and peer evaluation conducted by the ARMC and reported that the ARMC and its members had discharged their functions in accordance with its Terms of Reference.

## SUMMARY OF ACTIVITIES

The review carried out by the ARMC in discharging their oversight duties on financial reports, risk management, internal control, related party transactions and auditors’ performance and independence during the financial period are summarised as follows:

- a) Reviewed the quarterly financial reports and their disclosure and presentations before recommending them to the Board for approval;
- b) Reviewed and discussed with the External Auditors the 2023 audit status, the key audit matters, audit findings, internal control deficiencies, change in major accounting policy, judgements made by management, significant and unusual events or transactions and how these matters were addressed;
- c) Reviewed the External Auditors’ audit planning memorandum for the financial year 2024, covering their audit scope, methodology and timetable, audit materiality, key audit matter, and fraud considerations;
- d) Conducted independent private meeting sessions with the External Auditors and Internal Auditors without the presence of executive Board members and management;

## **Audit and Risk Management** *Committee Report*

### **SUMMARY OF ACTIVITIES (CONT'D)**

The review carried out by the ARMC in discharging their oversight duties on financial reports, risk management, internal control, related party transactions and auditors' performance and independence during the financial period are summarised as follows: (Cont'd)

- e) Considered and reviewed the performance and independence of the External Auditors and recommended to the Board to propose their re-appointment to the shareholder for approval in the coming Annual General Meeting of the Company;
- f) Reviewed the Corporate Governance Report, Corporate Governance Overview Statement, Audit and Risk Management Committee Report, Statement on Risk Management and Internal Control before recommending to the Board for approval and inclusion in the Annual Report;
- g) Reviewed related party transactions that may arise within the Company and Group, including any transaction, procedure or course of conduct that raises questions of management integrity and ensured that these transactions were transacted at arm's length basis and are not detrimental to the interests of the minority shareholders;
- h) Reviewed FYE2024 Registers of Director's Interest in October 2024 on any new or changes in their appointments and shareholding in companies as well as the incorporation of companies involving their interest outside the Group;
- i) Reviewed the progress of the internal audit plan to ensure that the direction of the audit is appropriate to the changes in the environment in which the Group is operating;
- j) Reviewed the audit findings, management's actions and comments in the Internal Audit Reports and the follow-up audit status to ensure that management responded to the audit findings appropriately; and
- k) Reviewed the adequacy of the scope, functions, competency and resources of the internal audit function and ascertained its effectiveness.

### **INTERNAL AUDIT FUNCTION**

Para 15.27 of MMLR provides that a listed issuer must establish an internal audit function independent of the activities it audits and ensure it reports directly to the ARMC.

The Company has outsourced its internal audit function to an internal audit consulting firm. The audit team members are independent of the activities audited by them. The primary responsibility of this internal audit function is to assist the Board and the ARMC in reviewing and assessing the management systems of internal control and to provide recommendations to strengthen these internal control procedures.

The internal audit function is headed by a director and supported by a manager and audit executives. The Director in charge is Mr. Chong Kian Soon. Kian Soon is a member of Chartered Accountants Australia and New Zealand, the Malaysian Institute of Certified Public Accountants and the Institute of Internal Auditors Malaysia, while the team members are accounting graduates.

The Internal Auditors have carried out their work according to the principles of the International Professional Practice Framework of the Institute of Internal Auditors. These principles cover audit planning, execution, documentation, communication of findings, and consultation with key stakeholders.

The audit scope of work in the Internal Audit Plan is determined in consideration of the Group's structure, risks, ongoing and upcoming construction and property development projects, the segmental financial performance of the businesses in the Group, recurrent related party transactions and main market listing requirements and amendments. A new internal audit plan will be proposed and presented to the ARMC when appropriate for deliberation and approval before internal audit reviews are carried out.

 **Audit and  
Risk Management**  
*Committee Report*

#### **INTERNAL AUDIT FUNCTION (CONT'D)**

The Internal Auditors report and present the Internal Audit reports to the ARMC every quarter. These reports contained the conclusion of control status, overview of management performance, audit findings, management actions for improvement, and target completion dates. In addition, the Internal Auditors also conduct follow-up audits to ascertain the management action status.

During the financial year, the Internal Auditors attended five (5) ARMC meetings. The summary of work conducted and reported by the Internal Auditors in the current financial year is as follows:

- i. Participated in the deliberation of the Corporate Governance Report, Corporate Governance Overview Statement, Audit and Risk Management Committee's Report, Statement on Risk Management and Internal Control and Sustainability Statement before recommending to the Board for consideration and approval for inclusion in the Annual Report;
- ii. Briefed the ARMC on the Internal Audit Plan;
- iii. Reviewed recurrent related party transactions;
- iv. Conducted follow-up audits to ascertain the status of management actions; and
- v. Evaluated the adequacy and effectiveness of management control procedures in the Project Management function of Ekovest Construction Sdn Bhd on SPE and DUKE Highway maintenance (Civil & Structure) by Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd.

The fee incurred during the current financial year for the internal audit function of the Group is RM88,000 (FY2023: RM80,000).



# NOMINATION COMMITTEE *Statement*

The Nomination Committee (“NC”) comprises five (5) Independent Non-Executive Directors, and the members of the NC and their key functions under its terms of reference are as follows:

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**Chairlady** : Ms Lim Ts-Fei

**Member** : Mr Lee Wai Kuen

Ms Jasmine Cheong Chi-May

Dato’ Majid Manjit Bin Abdullah

Mr Chin Wai Kit

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## The Key Functions: -

- Develop, maintain and review the criteria to be used in the annual appraisal of Board Committee and Board as a whole;
- Assess and recommend to the Board the candidature of directors, appointment and re-appointment of Directors based on the fit and proper criteria spelt out in Director’s Fit and Proper Policy. These criteria include character, integrity, competence, capability, time and commitment;
- Facilitate Board induction and identify and assess directors’ training needs and programmes;
- Review the boardroom diversity and encourage female participation in the Board;
- Develop the criteria and assess the independence of independent directors when considering candidates for independent directorship and when there are new interests or relationships developed and involving independent directors;
- Examine and review the Board structure, size and composition and present recommendations to the Board on the optimum number of Directors on the Board to ensure its effectiveness and to comply with regulatory requirements; and
- Recommend, if necessary, the service and employment contracts of Executive Directors, including their job descriptions & terms of reference.

The Terms of Reference of NC are available on the Company’s website at <https://ekovest.com.my/discover-ekovest/term-of-reference-nomination-committee/>.

During the financial year, NC conducted its meeting on 23 October 2023. This meeting was attended by all members of the NC. Following are the agendas discussed and details of the deliberations and the results thereof were reported to the Board:

### i) Assessment of the Independence Status of Independent Directors

All Independent Directors completed independent declaration form and declared that they have met the independence criteria set out in Chapter 1 of the Main Market Listing Requirements (“MMLR”) and can exercise independent judgement and act in the best interest of the Company objectively.

Ms. Lim Ts-Fei and Mr. Lee Wai Kuen have served in the same capacity for a tenure of more than 9 years.

## **Nominations** Committee Statement

### The Key Functions: - (Cont'd)

#### i) Assessment of the Independence Status of Independent Directors (Cont'd)

The NC, having considered the independence of the mentioned directors who are also the Committee members, with each member abstaining from deliberation of their appointments, resolved and recommended to the Board to put forth their appointment to be approved by shareholders through a two-tier voting process in the last Annual General Meeting. Besides fulfilling the independence criteria set out in the Listing Requirements, the NC feels that

- their expertise in corporate and legal matters significantly contributed to the effectiveness of the Board and the Committees;
- they have exercised their due care during their tenure individually as an Independent Non-Executive Director of the Company and they have carried out their professional duties in the interest of the Company and the shareholders; and
- their long service enabled them to contribute more effectively to the Committees they served and the Board.

#### ii) Effectiveness and Composition of the Board and Performance of Directors

Broadly, the criteria used for these performance evaluations are as follows:

Criteria	Board	Board Committee	Individual Director
Mix and Composition	√	√	√
Quality of Information and Decision Making	√	√	
Boardroom Activities	√	√	
Board's Relationship with the Management	√	√	
ESG Oversight	√	√	
Fit and Proper			√
Contribution and Performance			√
Calibre and Personality			√
<b>Knowledge:</b>			
<ul style="list-style-type: none"> <li>• Strategy and Entrepreneurship;</li> <li>• Legal and Regulatory Requirements;</li> <li>• CG, Risk Management and Internal Controls;</li> <li>• Human Capital;</li> <li>• Sales and Marketing;</li> <li>• Information Technology;</li> <li>• Production and Quality Assurance; and</li> <li>• ESG or Sustainability Knowledge</li> </ul>			√

The NC has reviewed the peer assessment completed by all Board members and noted that the performance and effectiveness of the Board, Board Committees and individual directors are satisfactory.

The evaluation also revealed that the present Board members and the Board Committees comprise individuals with the required mix of skills, experiences, competencies, and appropriate qualifications. Also, all Board members have discharged their duties and responsibilities and demonstrated their commitment to attending to the affairs of the Company and Group. Accordingly, the NC recommended that the Board to maintain the current compositions of the Board and Board Committee.

## **Nomination** *Committee Statement*

### **The Key Functions: - (Cont'd)**

#### **iii) Terms of Office and Performance of the Audit and Risk Management Committee (“ARMC”)**

The NC has reviewed the evaluation conducted by the ARMC. Overall, it was noted that all members of the ARMC have carried out their duties in accordance with the terms of reference of the ARMC.

#### **iv) Re-election of Retiring Directors**

Based on the above-mentioned annual assessment of Directors' performance, the NC also recommended to the Board a resolution to put forth for the shareholders' consideration of the re-election of all retiring Directors at the last Annual General Meeting.

#### **v) Fit and Proper Policy**

The Board has defined and implemented the Fit and Proper Policy for its members. This Policy guides the NC and the Board in their review and assessment of potential candidates for appointment of Directors as well as Directors who are seeking for re-election in the Company and/or its subsidiaries. The fit and proper criterias are character and integrity, relevant range of skills, knowledge, experience, competence and time commitment.

When identifying suitably qualified candidates for the appointment of Directors, the Board Charter stipulates that the NC will consider recommendations from existing Board members, management, major shareholders, and candidates from third-party sources before making recommendations to the Board for further deliberation.

During the financial year, no new Directors were appointed.