

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 5283  
**COMPANY NAME** : ECO WORLD INTERNATIONAL BERHAD  
**FINANCIAL YEAR** : October 31, 2019

## 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 PURSUANT TO 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 is responsible for the oversight of Management's performance to ensure compliance with all the applicable laws, rules and regulations while meeting the interests of its shareholders and stakeholders.</p> <p>In order to effectively discharge its functions and duties, the Board has established a Governance Model for the Company, subsidiaries and joint-ventures ("<b>Group</b>") and delegated specific authorities to the President and Chief Executive Officer ("<b>President &amp; CEO</b>") and Board Committees, namely Audit Committee ("<b>AC</b>"), Risk Management Committee ("<b>RMC</b>"), Nomination and Remuneration Committee ("<b>NRC</b>") and Whistleblowing Committee ("<b>WBC</b>").</p> <p>The Board assumes, amongst others, the following roles and responsibilities for meeting the objectives and goals of the Group:</p> <p>(a) <u>Business Plan and Budget</u></p> <p>The Board leads and provides stewardship to the Group's strategic direction by formulating and implementing the strategic plan. It also oversees the operations of the Group in order to maximise shareholders' value.</p> <p>The Company has an annual business plan in place whereby the Board will meet with the Management to discuss on the strategies together with the financial targets and long-term goals of the Group.</p> <p>In October 2019, the Board reviewed the overall performance of the Group for the financial year ended 31 October 2019 ("<b>FY2019</b>") and deliberated the Business Plan and Budget for the financial year ending 31 October 2020 ("<b>FY2020</b>") with constructive views and</p>

valuable insights. After deliberations, the Board approved the Business Plan and Budget for FY2020.

The Management keeps track of the financial results and position of the Group that are reported to the Board on a quarterly basis to ensure proper monitoring and implementation of the approved budget.

In ensuring the plan supports long-term value creation, the Board had in June 2019 reviewed the Sustainability Report as presented by the external consultant, AGV Environment Sdn Bhd. The Sustainable Development Goals focus areas during the year under review includes (i) good health and well-being; (ii) gender equality; (iii) decent work and economic growth; (iv) industry innovation and infrastructure; (v) sustainable cities and communities; and (vi) peace, justice and strong institutions.

In December 2019, the enhancements to reporting framework such as (i) revision of sustainability governance structure; (ii) scope and boundary of reporting; (iii) re-assessment of material sustainability matters; (iv) sustainability materiality matrix; and (v) sustainability Key Performance Indicators (“KPI”) as well as the proposals for FY2020 were presented by AGV Environment Sdn Bhd to the Board for deliberation and consideration. The Board had approved the Sustainability Report 2019 in February 2020.

(b) Corporate Governance (“CG”)

In ensuring the value of the shareholders is being enhanced, the Board continues to strengthen the existing CG practices by embracing the CG regime under the Malaysian Code on Corporate Governance (“MCCG”) and regulatory framework.

During the year of review, the Board’s commitment towards the best practices in CG was recognised by the Minority Shareholders Watchdog Group (MSWG) whereby the Company was presented with the award of “*New Company Excellence*” in July 2019.

In discharging its duties and responsibilities, the Board is governed by the Board Charter which clearly defines its objectives, composition, roles and responsibilities, authority and procedures. The matters reserved for Board’s decision were also set out in the Board Charter for effective control of key decisions and a clear division of responsibilities.

There are also policies in place such as Board Diversity Policy, Code of Conduct and Business Ethics, Whistleblowing Policy, Directors Remuneration Policy, Key Management Personnel Remuneration Policy, External Auditors Policy and Anti-Bribery and Anti-Corruption Policy (“ABC Policy”) to promote good CG.

(c) Conduct of Business

The Board monitors the conduct of business on a quarterly basis by reviewing the reports presented by the Management comprising quarterly results, financial performance and highlights, market and projects update etc.

This allows the Board to assess the business environment and keep abreast of any changes that could affect the achievement of the business plan.

(d) Risk Management and Internal Control

The RMC is responsible for reviewing the risk management and internal control framework of the Group to ensure adequacy and effectiveness of the risk management and internal control is embedded in all aspects of the Group's activities.

The Board through the RMC develops, executes and maintains the risk management system to ensure that the Group's corporate objectives and strategies are achieved within the acceptable risk appetite of the Group. The RMC monitors and manages the significant risks faced by the business and reports to the Board on a quarterly basis.

Details of the Company's risk management and internal control system and the review of its effectiveness are set out in the Statement on Risk Management and Internal Control on pages 79 to 86 of the Annual Report 2019.

With the recent implementation of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("**MACC Act**") and as the Group reinforces its principle towards zero-tolerance approach to bribery and corruption, the Board had in December 2019 approved the ABC Policy.

(e) Succession Planning

The Board is assisted by the NRC to ensure there is an orderly succession of the Board, Board Committees and Key Senior Management.

The Board through the NRC taps on various channels to identify suitable qualified candidates to ensure the Group has a pool of talent for selection whenever there is a need to appoint new Directors. During the year of review, the NRC had considered and proposed the appointment of Dato' Kong Sooi Lin as an Independent Non-Executive Director, a member of AC and Chairperson of WBC to the Board for approval.

	<p>Successors for Key Senior Management and key critical positions have been identified and groomed under the leadership management programme.</p> <p>During the financial year under review, the NRC had also assessed the performance and reviewed the remuneration package of the Executive Directors and Chief Financial Officer (“CFO”) to ensure they are in line with the market practices.</p> <p>(f) <u>Communication with Shareholders and Stakeholders</u></p> <p>The Board is committed to the highest standards of transparency and accountability in the disclosure of information to the shareholders and stakeholders. Hence, the Board, Management and employees comply with the Disclosure and Communication Policy which was established to keep the market informed.</p> <p>The Investor Relations Department plays a critical role in facilitating investor-related activities to enable communication of the business and strategic direction of the Group towards maximising shareholder value.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

### Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is led by Tan Sri Azlan Bin Mohd Zainol, an Independent Non-Executive Chairman.</p> <p>The Chairman:</p> <ul style="list-style-type: none"><li>(i) encourages openness and provides leadership for the Board to perform its duties effectively;</li><li>(ii) leads the meetings effectively and supports active participation including allowing dissenting views to be freely expressed;</li><li>(iii) provides objective views and decisions to resolve issues when there are differing views between the Board and Management;</li><li>(iv) sets the board agenda with Management and Company Secretary and ensures the Board receives complete and accurate information for deliberation at the meetings; and</li><li>(v) leads the Board in establishing and monitoring good CG practices and ensures these practices are regularly communicated to all stakeholders.</li></ul> <p>The key responsibilities of the Chairman have been clearly specified in the Board Charter which is available on 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

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>	:	<p>The distinct and separate roles and responsibilities of the Chairman, Executive Vice Chairman and the President &amp; CEO of the Company are provided in the Board Charter, which is available on the Company's corporate website.</p> <p>These positions are held by different individuals to ensure there is a clear and proper balance of power and authority. The Chairman, Tan Sri Azlan Bin Mohd Zainol, leads and manages the Board by focusing on strategy, governance and compliance matters of the Group.</p> <p>Tan Sri Dato' Sri Liew Kee Sin, the Executive Vice Chairman is responsible for strategic planning, business development and overseeing the Group's business operations, formulation of high level-strategies and directing its overall growth and business operations.</p> <p>The President &amp; CEO, Dato' Teow Leong Seng focuses on the day-to-day management and business of the Group and is responsible for implementation of the Board's policies and decisions. The responsibilities of the President &amp; CEO, includes amongst others:</p> <ul style="list-style-type: none"><li>(i) ensures the Group's corporate identity, products and services are of high standards and are reflective of the market environment;</li><li>(ii) regularly reviews the performance of the heads of divisions and departments who are responsible for all functions contributing to the success of the Group; and</li><li>(iii) assesses potential business opportunities and promotes highest degree of CG and ethics across 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

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

### Practice 1.4

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board is supported by two (2) Company Secretaries, Ms Tan Ai Ning and Ms Tai Yit Chan. Both of them are qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016 and they are Fellow members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).</p> <p>The Company Secretaries play an advisory role to the Board, particularly with regards to the CG issues and Directors' responsibilities in complying with relevant legislation and regulations. Both the Company Secretaries have more than twenty (20) years of experience in corporate secretarial practice with working knowledge across a diverse range of industries. With their extensive experience, they are able to provide sound advice to the Board and the Board has unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively.</p> <p>The roles and responsibilities of the Company Secretaries are provided in the Board Charter, which is available on the Company's corporate website.</p> <p>The Company Secretaries attend all the Board and Board Committee meetings and ensure all discussions and deliberations during these meetings are accurately recorded and properly maintained. The Company Secretaries also act as the custodian of the Company's statutory records to ensure compliance with the statutory requirements such as Companies Act 2016 and Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("<b>Bursa Securities</b>").</p> <p>The Company Secretaries also facilitate proper communications and ensure the effective flow of information between the Board, Board Committees and the Management.</p> <p>The Company Secretaries constantly keep themselves abreast with the regulatory changes and developments through attendance at various trainings and seminars.</p> <p>The Company Secretaries play an important role in ensuring that the proceedings in general meetings are in place and properly managed.</p>



	<p>The Company Secretaries will assist the Chairman and the Board members in facilitating the conduct of the meetings and ensures the minutes are properly recorded.</p> <p>To ensure the Company complies with the relevant rules and regulations, the Company Secretaries will send notices on the closed period for trading in the Company's listed securities to the Board and Principal Officers on a quarterly basis.</p> <p>The Company Secretaries also facilitated the annual assessment on the effectiveness of the Board, Board Committees and individual Directors for FY2019. The results were collated and tabled at the NRC Meeting in December 2019 and subsequently to the Board for deliberation.</p> <p>An assessment on the performance of the Company Secretaries was also conducted in December 2019. The Board was satisfied with the overall performance and support rendered by the Company Secretaries in discharging their duties and responsibilities as the Officers of the Company.</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

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board and Board Committees receive sufficient, reliable and timely information in advance of the meetings and are provided with all the necessary resources to enable them to fulfil their responsibilities and to undertake their duties in an effective manner.</p> <p>The Board meets at least five (5) times a year with additional meetings if required. Prior to Board meetings, all Directors are furnished with the notice of the meeting which sets out the matters to be discussed at least seven (7) days prior to the meetings.</p> <p>As part of the Company's green initiatives and to improve the efficiency of the meetings, the Company has implemented a paperless board portal for all Board and Board Committees meetings, which enables digital access to meeting materials instead of distributing hard copies. This initiative has enhanced mobility, storage, time savings and convenience.</p> <p>The core board papers are uploaded via board portal at least five (5) business days prior to the meetings for the Board to review and obtain further clarification which will enable focused and constructive deliberation at the meetings. The board papers contained comprehensive management reports, minutes of meetings, detailed proposal papers and supporting documents to enable the Board to discharge its duties effectively.</p> <p>The Board has direct access to the Management and unrestricted access to any information relating to the business affairs in discharging their duties. The Board may request for additional information or clarification from the Management in order to make informed and timely decisions.</p> <p>All deliberations and decisions at the Board and Board Committees' meetings are properly recorded in the minutes, including matters where Directors abstained from deliberation and/or voting, dissenting views or significant concerns. The action items identified and highlighted during meetings are conveyed to the Management for their attention and action.</p> <p>Upon the conclusion of each meeting, the minutes of meetings will be circulated to all the Board and Board Committees members for their</p>

	review/comments prior to the confirmation at the next meeting. The Directors may request for clarification before the minutes are confirmed. The minutes will be signed by the Chairman of the meeting as a correct record upon confirmation by the Board and Board Committees.	
<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 roles and responsibilities of the Board, Board Committees, Individual Directors, Independent Directors as well as the Senior Independent Director are clearly defined in the Board Charter, which is subject to periodic review and was recently revised in February 2020. The Board Charter is available on the Company's corporate website.</p> <p>In discharging its fiduciary duties, the Board has established and delegated specific tasks to the following Board Committees, which have the authority to examine and report to the Board:</p> <p>(i) <u>AC</u> The AC assists the Board in fulfilling the Board's responsibilities on the integrity of the Group's financial reporting and its audit processes.</p> <p>(ii) <u>NRC</u> The NRC assists the Board to propose potential candidates as Directors for the Board's consideration. It also assesses the effectiveness, size and composition of the Board and recommends remuneration packages for Executive Directors, Non-Executive Directors, CFO and employees of the Group.</p> <p>(iii) <u>RMC</u> The RMC assists the Board to evaluate the Group's level of risk tolerance, assess and monitor the risks, review the Group's internal controls system and engage with Management to periodically test the adequacy and effectiveness of the risk management and internal control system.</p> <p>(iv) <u>WBC</u> The WBC assists the Board to ensure that investigations on any whistleblowing cases are carried out using the appropriate channels, resources and expertise.</p>

All the Board Committees operate within their respective terms of references (“**TOR(s)**”) which were approved by the Board. The TORs of each Board Committees are available on the Company’s corporate website.

The Board takes full responsibility for the oversight and overall performance of the Group. The Board reserves full decision-making powers on the following matters:

- (i) Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
- (ii) Material acquisitions and disposal of assets not in the ordinary course of business including significant capital expenditures;
- (iii) Strategic investments, mergers and acquisitions and corporate exercises;
- (iv) Limits of authority;
- (v) Treasury policies;
- (vi) Risk management policies; and
- (vii) Key human resource issues.

The Board acknowledges the importance of continuing education and training for its Directors to ensure that they keep up with the latest developments in the areas related to their duties. For this purpose, a budget for Directors’ Training has been set aside each year by the Company.

Relevant training programme were shared with the Directors to ensure that the Directors have access to continuing education programmes. The Directors undergo training and attend seminars from time to time to update themselves with the relevant knowledge and skills in order to discharge their duties effectively. In addition, some Board members have also been invited to participate in forums and/or seminars as speakers, moderators or panellists in areas of their expertise.

Dato’ Kong Sooi Lin who was appointed to the Board on 1 April 2019 has attended the Mandatory Accreditation Programme (MAP) within four (4) months from the date of her appointment.

In FY2019, the Directors have attended various training programmes to keep abreast with relevant changes in law, regulations and industry developments. Details of these are set out below:

Name of Director	List of Training/Conference/Seminar/Workshop Attended
Tan Sri Azlan Bin Mohd Zainol	The New Constitution Under the Companies Act 2016
	Trends, Opportunities and Challenges in the Banking Sector & Digital Ecosystem
	Property Outlook 2019, Corporate Liability & Beneficial Ownership and Governance
	The Future of Retailing
	Economic Developments in the United States

Name of Director	List of Training/Conference/Seminar/Workshop Attended
Tan Sri Azlan Bin Mohd Zainol (Cont'd)	Enhancing Corporate Brand Value
	Directors' Guide to Governance, Risk & Compliance
	Malaysian Financial Reporting Standards (MFRS) - Briefing on MFRS 16 (Leases), MFRS 9 (Financial Instruments), MFRS 15 (Revenue from Contracts with Customers) and MFRS 141 (Agriculture)
	Industry 4.0 and Its Impact of Malaysian Capital Market
Tan Sri Dato' Sri Liew Kee Sin	Corporate & Personal Liabilities under Anti-Corruption Laws in Malaysia
	HSBC Commercial Banking Rally 2019
Dato' Teow Leong Seng	EcoWorld in a Digital World – Making EcoWorld a Sustainable Global Company
	Corporate & Personal Liabilities under Anti-Corruption Laws in Malaysia
Cheah Tek Kuang	Preparation for Corporate Liability on Corruption: How ready is your Company to safeguard your Directors, Top Management and personnel against a corruption prosecution
	Revisiting the Misconception of Board Remuneration
	Constructing and Financing of Affordable Housing Across Asia 2019
	Engagement Sessions with Audit Committee on Integrated Reporting
	Corporate & Personal Liabilities under Anti-Corruption Laws in Malaysia
Dato' Voon Tin Yow	EcoWorld in a Digital World - Making EcoWorld a Sustainable Global Company
	EcoWorld Leadership Development Programme - Mentor Refresher
	Preparation for Corporate Liability on Corruption: How ready is your Company to safeguard your Directors, Top Management and personnel against a corruption prosecution
	Para-Counselling Skills for Leaders
	Corporate Liability Provision under the MACC Act 2018 - Exposure and Safeguarding the Group, its Directors & Management from Corruption Prosecution
	Corporate & Personal Liabilities under Anti-Corruption Laws in Malaysia
Choong Yee How	Recent Developments in the Law and How it Affects you
Cheng Hsing Yao	Urban Land Institute Singapore Annual Conference
	Collaborative Alliance Conference
Tan Sri Datuk Dr Rebecca Fatima Sta Maria	Regional Outlook Forum
	International Monetary Fund Presentation - Unfinished Business
	Impact of Potential Sino-United States Trade War
	Thriving in the Age of Disruption
	Future of ASEAN Trade: Tackling Non-Tariff Barriers in the New World Trade Order
	United States-China Trade War: Managing the Narrative
	S. Rajaratnam School of International Studies - World Trade Organisation Parliamentarian Workshop: Temasek Foundation Series on Trade & Negotiations

	<b>Name of Director</b>	<b>List of Training/Conference/Seminar/Workshop Attended</b>
	Tan Sri Datuk Dr Rebecca Fatima Sta Maria <i>(Cont'd)</i>	Kuala Lumpur Roundtable Digital Innovation and Disruption in the 4th Industrial Revolution Future of Work Conference Pathways to Gender Inclusion in the 4th Industrial Revolution Asia-Pacific Economic Cooperation - International Fintech Summit Asia-Pacific Economic Cooperation Innovation Forum - Building for the Future Facing Global Challenges through Innovation and Sustainability
	Dato' Siow Kim Lun	Revisiting the Misconception of Board Remuneration Integrated Reporting Corporate Liability Provision under the MACC Act - Exposure and Safeguarding the Group, its Directors & Management from Corruption Prosecution Corporate & Personal Liabilities under Anti-Corruption Laws in Malaysia Sustainability-Inspired Innovations - Enablers of the 21st century Khazanah Megatrends Forum International Directors Summit
	Dato' Kong Sooi Lin	Kuala Lumpur Roundtable Mandatory Accreditation Programme Corporate & Personal Liabilities under Anti-Corruption Laws in Malaysia Khazanah Megatrends Forum
	Pauline Wong Wan Voon	Companies Act 2016 Made Simple: A Practical Guide for Company Directors Governance Symposium 2019: Building a Governance Eco-System Preparation for Corporate Liability on Corruption: How ready is your Company to safeguard your Directors, Top Management and personnel against a corruption prosecution Fighting Corruption: A New Era of Corporate Governance Leadership Greatness in Turbulent Times: Building Corporate Longevity Recent Tax & Trade Developments in Malaysia and Australia Risk Management Conference 2019: Governance and Risk in a Digital World
<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>	:	<p>The Company is committed to maintain high standards of conduct and business ethics which shall be observed by Directors and employees of the Group. The Code of Conduct and Business Ethics is available on the Company's corporate website. The Code of Conduct and Business Ethics was approved by the Board in October 2017. It will be reviewed periodically to ensure it remains current and relevant in addressing any issues on ethics that may arise within the Group.</p> <p>The Directors and employees of the Group are responsible for safeguarding the business and reputation of the Group. The Code of Conduct and Business Ethics was formulated to provide clear direction on conduct of business, general workplace behaviour and dealing with stakeholders.</p> <p>The Board encourages all employees and stakeholders to report suspected inappropriate behaviour or misconduct (including fraud, corruption and abuse of power). No individual will be discriminated or suffer any act of retaliation for reporting in good faith.</p> <p>The recent amendments to the MACC Act, which will come into force on 1 June 2020, incorporated a new corporate liability offence of corruption by a commercial organisation. To provide the Group with a defence against such corporate liability offence, adequate procedures will need to be put in place to prevent persons associated with the Group from undertaking corrupt practices.</p> <p>The Group has therefore embarked on an anti-corruption compliance programme and a corruption risk assessment has been carried out by external legal counsel to identify, analyse, assess and prioritise corruption risks within the operations of the Group in order to evaluate the suitability and effectiveness of the Group's existing controls against corruption. The results of the corruption risk assessment were</p>



	<p>presented to the RMC in December 2019 for discussion and action plans were proposed to address the corruption risks within the operations of the Group.</p> <p>The ABC Policy has also been approved by the Board in December 2019. The said policy covers areas, amongst others, such as:</p> <ul style="list-style-type: none"> <li>(i) facilitation payments;</li> <li>(ii) gifts, entertainment &amp; hospitality;</li> <li>(iii) donations &amp; sponsorships; and</li> <li>(iv) dealing with governments &amp; public officials.</li> </ul> <p>The Group adopts a zero-tolerance approach to bribery and corruption in all its forms. The Group is committed to comply with all applicable laws and regulations of the countries in which it operates. In the event of any conflict or inconsistencies in the applicable laws and regulations, the stricter provisions will apply. The ABC Policy applies to all Directors and employees of the Group, as well as contractors, sub-contractors, consultants, agents, representatives and service providers of any kind performing work or services for and on behalf of the Group.</p> <p>All new employees will be briefed during their induction programme and are required to read both the Code of Conduct and Business Ethics and ABC Policy, thereafter to sign a declaration to state that they will abide by the Code of Conduct and Business Ethics and the ABC Policy during the term of their service with the Group.</p>	
<p><b>Explanation for departure</b></p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

### 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>WBC holds its meetings at least once a year and additional meetings as and when whistleblowing cases have been reported.</p> <p>On 12 December 2019, with the evaluation conducted by the NRC and the Board, in order to ensure independence, the Board concluded that the WBC shall only consist of Independent Directors and appointed Dato' Kong Sooi Lin as the Chairperson of WBC whilst Dato' Teow Leong Seng, the President &amp; CEO of the Company has relinquished his position as a member of WBC.</p> <p>In order to have a clear understanding of the objectives, composition, roles and responsibilities, authority and procedures of the WBC, the TOR of WBC has been formalised and adopted by the Board in September 2019.</p> <p>The Whistleblowing Policy has been established to provide a platform for the employees, business associates and members of the public who have concerns about suspected misconduct (including fraud, bribery, theft, abuse of power and violation of rules and regulations) to report and express these concerns without fear of punishment or unfair treatment.</p> <p>The Board is committed to preserve its culture of openness, accountability and integrity when dealing with suspected fraud, corruption, dishonest practices or any violation of laws and regulations.</p> <p>All reports are encouraged to be in writing to ensure a clear understanding of the concerns and the whistleblower reporting form is available on the Company's corporate website.</p> <p>Any employee, business associates or members of the public who are aware of any improper conduct within the Group are encouraged to channel their reports directly to the WBC at <a href="mailto:whistleblow@ecoworldinternational.com">whistleblow@ecoworldinternational.com</a>.</p> <p>The Board assures that all reports will be treated in the strictest confidence and will be promptly investigated. Incidents of retaliation</p>

	<p>against anyone reporting a violation or assisting in investigations will be subject to disciplinary action. The WBC will ensure that the investigations are carried out using the appropriate channels, resources and expertise.</p> <p>In FY2019, there were no cases reported to the WBC.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### Intended Outcome

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

### Practice 4.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board comprises eleven (11) Directors as follows:</p> <ul style="list-style-type: none"><li>(i) six (6) Independent Non-Executive Directors, which constitute 54.5% of the Board;</li><li>(ii) three (3) Non-Independent Non-Executive Directors; and</li><li>(iii) two (2) Executive Directors.</li></ul> <p>Based on the above, the Board had complied with the requirements of:</p> <ul style="list-style-type: none"><li>(i) majority Independent Directors on Board; and</li><li>(ii) at least two (2) or one-third (1/3) of the Board must be Independent Directors, whichever is higher.</li></ul> <p>All the six (6) Independent Non-Executive Directors have met the criteria of independence as prescribed under MMLR of Bursa Securities of which the assessment was conducted on an annual basis to ensure that they are independent and free from any business or relationship which could materially interfere with their independent judgement or the ability to act in the best interests of the Company.</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 4.2

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

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

<b>Application</b>	:	Not applicable - No independent director(s) serving beyond 9 years													
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted the policy that the tenure of an Independent Director should not exceed a cumulative term of twelve (12) years.</p> <p>In the event that the Board intends to retain the Director as Independent Director after he/she has served a cumulative term of nine (9) years, the Board must justify the decision and seek shareholders' approval at a general meeting.</p> <p>All the Independent Directors have served the Board for less than nine (9) years since the Date of Listing i.e. 3 April 2017. The summary of the years of service of the Independent Directors as at 31 October 2019 is set out below:</p> <table border="1"> <thead> <tr> <th>Year of Service</th> <th>≤ 1</th> <th>1 to ≤ 3</th> <th>3 to ≤ 6</th> <th>6 to ≤ 9</th> </tr> </thead> <tbody> <tr> <td>No. of Directors</td> <td>1</td> <td>5</td> <td>0</td> <td>0</td> </tr> </tbody> </table> <p>The Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors.</p>				Year of Service	≤ 1	1 to ≤ 3	3 to ≤ 6	6 to ≤ 9	No. of Directors	1	5	0	0
Year of Service	≤ 1	1 to ≤ 3	3 to ≤ 6	6 to ≤ 9											
No. of Directors	1	5	0	0											
<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 4.3 - Step Up**

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

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### Intended Outcome

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

### Practice 4.4

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board is committed to encourage diversity in the workplace. With the recommendation of the NRC, the Board reviewed and approved the Board Diversity Policy in October 2017.</p> <p>The NRC is delegated with the responsibilities of assessing and recommending potential candidates to be appointed as Directors based on the required mix of skills, knowledge, expertise and experience, time commitment, integrity and competencies in meeting the needs of the Company. The ultimate decision on the appointment is solely at the discretion of the Board. The detailed criteria and procedures in selecting potential candidates to be appointed as Directors are set out in the TOR of the NRC which is available on the Company's corporate website.</p> <p>Dato' Kong Sooi Lin was appointed as Independent Non-Executive Director on 1 April 2019. The NRC had reviewed and assessed her experience, skills, time commitment and expertise and was satisfied that she had fulfilled the required criteria set by the Board. Thereafter, the NRC recommended her appointment to the Board for approval.</p> <p>The Board undertook annual review on the composition of the Board in terms of mix of skills, experience, age, gender and competencies. The Board decided to maintain the Board size of eleven (11) members despite the maximum number of fifteen (15) Directors allowed in the Constitution.</p> <p>Based on the annual evaluation which was facilitated by the external service provider, Boardroom Corporate Services Sdn Bhd, the overall result of 96% is achieved based on the following criteria:</p> <ul style="list-style-type: none"><li>(i) Mix and Composition</li><li>(ii) Quality of Information and Decision Making</li><li>(iii) Board Relationship with the Management</li><li>(iv) Boardroom Activities</li><li>(v) Board Chairman's Roles and Responsibilities</li><li>(vi) Board Committees</li></ul> <p>The Board was satisfied that its composition reflected the balance of Independent and Non-Independent Directors with a mix of highly qualified and experienced Directors in leadership, real-estate development, strategic planning, finance, banking, legal and risk</p>

	<p>management. This combination of different professions and skills provide different perspectives to the Board in leading the Group.</p> <p>The gender, nationality and age of the Directors as at 31 October 2019 are set out as follows:</p> <table border="1" data-bbox="560 405 1406 499"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Gender</th> <th colspan="2">Nationality</th> </tr> <tr> <th>Male</th> <th>Female</th> <th>Malaysian</th> <th>Foreigner</th> </tr> </thead> <tbody> <tr> <td>No. of Directors</td> <td>8</td> <td>3</td> <td>10</td> <td>1</td> </tr> </tbody> </table> <table border="1" data-bbox="560 533 1406 595"> <thead> <tr> <th>Age</th> <th>40 to ≤ 50</th> <th>50 to ≤ 60</th> <th>60 to ≤ 70</th> <th>70 to ≤ 80</th> </tr> </thead> <tbody> <tr> <td>No. of Directors</td> <td>1</td> <td>2</td> <td>7</td> <td>1</td> </tr> </tbody> </table> <p>The appointment of Key Senior Management was also made with due regard for diversity in skills, experience, age and gender. The gender, nationality and age of the Key Senior Management as at 31 October 2019 are set out as below:</p> <table border="1" data-bbox="560 808 1406 931"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Gender</th> <th colspan="2">Nationality</th> </tr> <tr> <th>Male</th> <th>Female</th> <th>Malaysian</th> <th>Foreigner</th> </tr> </thead> <tbody> <tr> <td>No. of Key Senior Managements</td> <td>3</td> <td>2</td> <td>4</td> <td>1</td> </tr> </tbody> </table> <table border="1" data-bbox="560 965 1406 1059"> <thead> <tr> <th>Age</th> <th>≤ 40</th> <th>40 to ≤ 50</th> <th>50 to ≤ 60</th> <th>60 to ≤ 70</th> </tr> </thead> <tbody> <tr> <td>No. of Key Senior Managements</td> <td>1</td> <td>1</td> <td>1</td> <td>2</td> </tr> </tbody> </table>		Gender		Nationality		Male	Female	Malaysian	Foreigner	No. of Directors	8	3	10	1	Age	40 to ≤ 50	50 to ≤ 60	60 to ≤ 70	70 to ≤ 80	No. of Directors	1	2	7	1		Gender		Nationality		Male	Female	Malaysian	Foreigner	No. of Key Senior Managements	3	2	4	1	Age	≤ 40	40 to ≤ 50	50 to ≤ 60	60 to ≤ 70	No. of Key Senior Managements	1	1	1	2
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### Intended Outcome

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

### Practice 4.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>With the appointment of Dato' Kong Sooi Lin as an Independent Non-Executive Director on 1 April 2019, the Board has a 27% representation of women directors. The Board deemed this Practice as applied by rounding to the nearest ten percentile.</p> <p>With respect to the Key Senior Management, the Company has also achieved the target of 30% women holding key positions within the Group.</p> <p>The Board has formalised and adopted a Board Diversity Policy in October 2017 which sets out the approach to diversity on the Board that comprises talented and dedicated Directors with a diverse mix of skills, expertise, experience, gender, age and independence. The diversity collectively represented on the Board should reflect the diverse nature of the business environment in which the Group operates.</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 4.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC is responsible to identify and select the potential candidates as Director through various channels and avenues to identify suitably qualified candidates.</p> <p>In FY2019, the NRC had actively sourced for a suitable independent woman Director to be appointed as a member of the Board. Apart from recommendation by existing board members, NRC also relies on external sources such as 30% Club Malaysia for consideration before recommending to the Board for approval.</p> <p>Based on the recommendation of the existing board members, Dato' Kong Sooi Lin was appointed as Independent Non-Executive Director of the Company on 1 April 2019.</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 4.7**

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>	:	<p>The NRC is chaired by Mr Cheah Tek Kuang, who is also the Senior Independent Non-Executive Director of the Company.</p> <p>Clause 2.2 of the TOR of the NRC states that the Chairman of the NRC shall be an Independent Director or Senior Independent Director appointed by the Board. The role of Senior Independent Director is set out in the Board Charter which is available on 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

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

### Practice 5.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC carried out an annual assessment to determine the effectiveness of the Board and Board Committees and the independence of the Independent Directors as per the criteria defined under the MMLR of Bursa Securities.</p> <p>For FY2019, the evaluation was carried out through online assessment and facilitated by Boardroom Corporate Services Sdn Bhd. The overall result of the assessment is 96% based on the following criteria:</p> <ul style="list-style-type: none"><li>(i) Mix and Composition</li><li>(ii) Quality of Information and Decision Making</li><li>(iii) Board Relationship with the Management</li><li>(iv) Boardroom Activities</li><li>(v) Board Chairman's Roles and Responsibilities</li><li>(vi) Board Committees</li></ul> <p>The Board was satisfied with the current approach as each Director is able to provide unbiased opinions and recommendations to improve the governance process of the Group. The Board will continue with the existing practice and will consider engaging an independent expert for the annual assessment by FY2021.</p> <p>The evaluation process started with the development of the evaluation forms by the NRC, which were approved by the Board. Various factors for assessment were considered in the evaluation forms including its size, structure, composition, mix of skills and experience, time commitment, integrity etc. The approved evaluation forms were uploaded to the board portal for assessment by each Director.</p> <p>The preparation of the evaluation forms and collation of the results were facilitated by the Company Secretary and tabled to the NRC for review and discussion. After discussion by the NRC, the results were then presented to the Board. The deliberations of the NRC and the Board were minuted in the respective meetings.</p>

	<p>Based on the results of the assessment for FY2019, the Board and the NRC were satisfied with the following outcome:</p> <ul style="list-style-type: none"> <li>(i) The Board has the relevant mix of skills and experience to function effectively and it demonstrated strong commitment in discharging their duties and responsibilities;</li> <li>(ii) The Chairman of the Board demonstrates effective leadership and all Directors have unrestricted access to the Chairman; and</li> <li>(iii) The Independent Directors are independent and free from any business or other relationship which could interfere with the exercise of independent judgement and objective.</li> </ul> <p>To further improve the effectiveness of the Board moving forward, the following focus areas have been identified:</p> <ul style="list-style-type: none"> <li>(a) To table a revised Business Plan and Budget when there are significant changes in the market conditions;</li> <li>(b) To have greater in-depth discussions on the system of internal controls of the Group;</li> <li>(c) To address the training needs of the Board in respect of the following areas: <ul style="list-style-type: none"> <li>(i) Update on laws, CG and new industry standards that are in practice;</li> <li>(ii) Global risk associated with international business;</li> <li>(iii) Accounting, financial reporting and taxation; and</li> <li>(iv) Cyber security or crisis management issue.</li> </ul> </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

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

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

### Practice 6.1

The board has in place policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board believes in a remuneration policy that fairly supports the Directors' responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board's objective is to offer a competitive remuneration package in order to attract, develop and retain talented individuals to serve as Directors of the Company.</p> <p>In determining the remuneration package of the Key Senior Management, factors that were taken into consideration are individual responsibilities, skills, expertise and contributions to the Group's performance and whether the remuneration packages are competitive and sufficient to ensure that the Group is able to attract and retain executive talents.</p> <p>The Company has in place Directors Remuneration Policy and Key Management Personnel Remuneration Policy to set appropriate levels of remuneration for the Directors and Key Senior Management. The remuneration policies are available on the Company's corporate website.</p> <p>The remuneration package for each individual Executive Director is structured to reflect his experience, performance and level of responsibilities. The remuneration of Independent Non-Executive Directors is in the form of annual Directors' Fees and meeting allowances which reflect the diverse experience, skill sets and the level of responsibilities expected of the Independent Non-Executive Directors concerned. The Non-Independent Non-Executive Directors do not receive any remuneration.</p> <p>The remuneration package of the Key Senior Management is in the form of salary, benefits and bonus based on achievement of their KPIs.</p> <p>In June 2019, the NRC has reviewed the performance and remuneration packages of the Executive Directors and the CFO of the Company and</p>

	<p>the NRC and the Board were satisfied with the performance of the Executive Directors and CFO.</p> <p>The NRC is responsible for reviewing the compensation of the employees of the Group to ensure alignment of compensation to corporate performance. The NRC had in December 2019 considered a sustainable performance framework to ensure that the compensation offered is in line with market practice, to remain competitive for talent attraction and retention. The said framework was approved by the Board accordingly.</p> <p>In December 2019, the NRC and the Board reviewed the Director’s Fees and Benefits payable to the Independent Directors and recommended the same for shareholders’ approval at the forthcoming Sixth Annual General Meeting (“AGM”) of the Company. The NRC and the Board had also reviewed and approved the year-end bonus for the eligible employees based on the Performance Management Framework of the Company.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
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### Intended Outcome

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

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

### Practice 6.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The NRC, which comprises wholly Independent Non-Executive Directors, assists the Board on matters relating to the remuneration of the Board, the Executive Vice Chairman, the President & CEO as well as the CFO. The TOR of the NRC is available on the Company's corporate website.  The Board was satisfied with the performance of the NRC in discharging its functions in accordance with its TOR.
<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 7.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

<b>Application</b>	:	Applied																																																																											
<b>Explanation on application of the practice</b>	:	<p>Details of the Board's remuneration are set out below:</p> <table border="1"> <thead> <tr> <th rowspan="2">Name</th> <th>Salary &amp; Bonus <sup>(1)</sup></th> <th>Allowances</th> <th>Benefits-in Kind</th> <th>Total</th> </tr> <tr> <th colspan="4">RM'000</th> </tr> </thead> <tbody> <tr> <td colspan="5"><b>Executive Directors</b></td> </tr> <tr> <td>Tan Sri Dato' Sri Liew Kee Sin</td> <td>6,836</td> <td>262</td> <td>299</td> <td>7,397</td> </tr> <tr> <td>Dato' Teow Leong Seng</td> <td>3,753</td> <td>178</td> <td>134</td> <td>4,065</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th rowspan="2">Name</th> <th>Fees FY2019 <sup>(2)</sup></th> <th>Allowances <sup>(3)</sup></th> <th>Total</th> </tr> <tr> <th colspan="3">RM'000</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Non-Executive Directors</b></td> </tr> <tr> <td>Tan Sri Azlan Bin Mohd Zainol</td> <td>200</td> <td>42</td> <td>242</td> </tr> <tr> <td>Cheah Tek Kuang</td> <td>200</td> <td>32</td> <td>232</td> </tr> <tr> <td>Dato' Voon Tin Yow</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Choong Yee How</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Cheng Hsing Yao</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Tan Sri Datuk Dr Rebecca Fatima Sta Maria</td> <td>200</td> <td>16</td> <td>216</td> </tr> <tr> <td>Dato' Siow Kim Lun</td> <td>200</td> <td>34</td> <td>234</td> </tr> <tr> <td>Dato' Kong Sooi Lin <sup>(4)</sup></td> <td>117</td> <td>10</td> <td>127</td> </tr> <tr> <td>Pauline Wong Wan Voon</td> <td>200</td> <td>24</td> <td>224</td> </tr> <tr> <td>Dato' Seri Ahmad Johan Bin Mohammad Raslan <sup>(5)</sup></td> <td>81</td> <td>10</td> <td>91</td> </tr> </tbody> </table> <p><b>Notes:</b></p> <p><sup>(1)</sup> Include EPF and Socso contributions</p> <p><sup>(2)</sup> The Directors' Fees proposed to be paid to the Independent Non-Executive Directors for FY2019 will be tabled at the 6<sup>th</sup> AGM for shareholders' approval</p> <p><sup>(3)</sup> Meeting allowance paid to the Independent Non-Executive Directors for each of the Board and Board Committees meetings attended in FY2019</p> <p><sup>(4)</sup> Appointed on 1 April 2019</p> <p><sup>(5)</sup> Retired on 27 March 2019</p> <p>The overall remuneration packages of Independent Non-Executive Directors which consist of Directors' Fees and Meeting Allowances is subject to shareholders' approval annually. The interested directors shall abstain from voting in respect of their shareholdings on the resolution relating thereto.</p> <p>The Board has proposed the Directors' Fees of RM200,000 per annum for each Independent Non-Executive Director for the services rendered</p>	Name	Salary & Bonus <sup>(1)</sup>	Allowances	Benefits-in Kind	Total	RM'000				<b>Executive Directors</b>					Tan Sri Dato' Sri Liew Kee Sin	6,836	262	299	7,397	Dato' Teow Leong Seng	3,753	178	134	4,065	Name	Fees FY2019 <sup>(2)</sup>	Allowances <sup>(3)</sup>	Total	RM'000			<b>Non-Executive Directors</b>				Tan Sri Azlan Bin Mohd Zainol	200	42	242	Cheah Tek Kuang	200	32	232	Dato' Voon Tin Yow	-	-	-	Choong Yee How	-	-	-	Cheng Hsing Yao	-	-	-	Tan Sri Datuk Dr Rebecca Fatima Sta Maria	200	16	216	Dato' Siow Kim Lun	200	34	234	Dato' Kong Sooi Lin <sup>(4)</sup>	117	10	127	Pauline Wong Wan Voon	200	24	224	Dato' Seri Ahmad Johan Bin Mohammad Raslan <sup>(5)</sup>	81	10	91
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	from 1 November 2019 up to the date of the 7 <sup>th</sup> AGM of the Company be paid quarterly in arrears, subject to shareholders' approval being obtained at the forthcoming 6 <sup>th</sup> AGM.	
<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 7.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

<b>Application</b>	:	Applied												
<b>Explanation on application of the practice</b>	:	<p>The remuneration of the top five (5) Key Senior Management in FY2019 in bands of RM50,000 are set out as below:</p> <table border="1"> <thead> <tr> <th>Total Remuneration in bands of RM50,000</th> <th>Name</th> </tr> </thead> <tbody> <tr> <td>RM950,001 to RM1,000,000</td> <td>Melissa Tan Swee Peng</td> </tr> <tr> <td>RM1,100,001 to RM1,150,000</td> <td>Yap Foo Leong <sup>(1)</sup></td> </tr> <tr> <td>RM1,500,001 to RM1,550,000</td> <td>Tan Cheng Yong</td> </tr> <tr> <td>RM1,700,001 to RM1,750,000</td> <td>Dato' Norhayati Binti Subali</td> </tr> <tr> <td>RM3,250,001 to RM3,300,000</td> <td>Cheong Heng Leong <sup>(2)</sup></td> </tr> </tbody> </table> <p><i>Note:</i>  <sup>(1)</sup> Drawn salary in AUD, the amount disclosed is in RM equivalent  <sup>(2)</sup> Drawn salary in GBP, the amount disclosed is in RM equivalent</p>	Total Remuneration in bands of RM50,000	Name	RM950,001 to RM1,000,000	Melissa Tan Swee Peng	RM1,100,001 to RM1,150,000	Yap Foo Leong <sup>(1)</sup>	RM1,500,001 to RM1,550,000	Tan Cheng Yong	RM1,700,001 to RM1,750,000	Dato' Norhayati Binti Subali	RM3,250,001 to RM3,300,000	Cheong Heng Leong <sup>(2)</sup>
Total Remuneration in bands of RM50,000	Name													
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RM3,250,001 to RM3,300,000	Cheong Heng Leong <sup>(2)</sup>													
<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 7.3 - 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>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The AC comprises three (3) members who are Independent Non-Executive Directors.</p> <p>The AC is chaired by Dato' Siow Kim Lun subsequent to the retirement of Dato' Seri Ahmad Johan Bin Mohammad Raslan on 27 March 2019, while the Chairman of the Board is Tan Sri Azlan Bin Mohd Zainol.</p> <p>Having the positions of Board Chairman and Chairman of the AC assumed by different individuals allows the Board to objectively review the AC's findings and recommendations.</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 8.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	An External Auditors Policy is in place which requires a former key audit partner to observe a cooling-off period of at least four (4) years before being appointed as member of the AC. Such cooling off period requirement is also included in the TOR of the AC which is available on the Company's corporate website.  None of the members of the AC are former key audit partners.	
<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 8.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The shareholders of the Company had on 27 March 2019, during the Fifth AGM of the Company, approved the appointment of Messrs KPMG PLT ("<b>KPMG</b>") as the new External Auditors of the Company for FY2019.</p> <p>As guided by its TOR, the AC had in September 2019 undertaken an annual assessment on the suitability, effectiveness and independence of KPMG for FY2019.</p> <p>In order to ensure effective and independent audit, the Board has approved the External Auditors Policy on 27 June 2019 which outline the guidelines and procedures for the AC to assess the suitability, objectivity and independence of the External Auditors. The following criteria were set out in the policy:</p> <ul style="list-style-type: none"><li>(i) Selection and appointment;</li><li>(ii) Independence;</li><li>(iii) Non-audit services;</li><li>(iv) Rotation of audit partner;</li><li>(v) Appointment of a former audit partner as committee member;</li><li>(vi) Annual reporting; and</li><li>(vii) Annual assessment.</li></ul> <p>Based on the assessment conducted, the AC was satisfied with the performance and provision of the non-audit services rendered by KPMG and its affiliates to the Group for FY2019 which did not in any way impair their objectivity and independence as the External Auditors of the Company. After the review, the AC recommended to the Board the re-appointment of KPMG as the External Auditors of the Company for FY2020 to be tabled to the shareholders for approval at the upcoming AGM.</p> <p>In December 2019, KPMG provided assurance that they have been independent throughout the audit engagement in accordance with the terms of all relevant professional and regulatory requirements in respect of the Audited Financial Statements of the Group for FY2019.</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 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted												
<b>Explanation on adoption of the practice</b>	:	<p>During FY2019, the AC consists of three (3) members, all of whom are Independent Non-Executive Directors. The members of the AC are as follows:</p> <table border="1"><thead><tr><th>No.</th><th>Name</th><th>Membership</th></tr></thead><tbody><tr><td>1</td><td>Dato' Siow Kim Lun <sup>(1)</sup></td><td>Chairman</td></tr><tr><td>2</td><td>Tan Sri Azlan Bin Mohd Zainol</td><td>Member</td></tr><tr><td>3</td><td>Dato' Kong Sooi Lin <sup>(2)</sup></td><td>Member</td></tr></tbody></table> <p><u>Notes:</u> <sup>(1)</sup> Re-designated as Chairman of AC on 1 April 2019 subsequent to the retirement of Dato' Seri Ahmad Johan Bin Mohammad Raslan <sup>(2)</sup> Appointed on 1 April 2019</p>	No.	Name	Membership	1	Dato' Siow Kim Lun <sup>(1)</sup>	Chairman	2	Tan Sri Azlan Bin Mohd Zainol	Member	3	Dato' Kong Sooi Lin <sup>(2)</sup>	Member
No.	Name	Membership												
1	Dato' Siow Kim Lun <sup>(1)</sup>	Chairman												
2	Tan Sri Azlan Bin Mohd Zainol	Member												
3	Dato' Kong Sooi Lin <sup>(2)</sup>	Member												

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All members of the AC are financially literate and are able to analyse and interpret financial statements in order to effectively discharge their duties and responsibilities.</p> <p>Dato' Siow Kim Lun is a Master Degree Holder in Business Administration from the Catholic University of Leuven, Belgium. Tan Sri Azlan Bin Mohd Zainol is a Fellow member of the Institute of Chartered Accountants in England and Wales and Dato' Kong Sooi Lin is a Fellow member of Certified Practising Accountant (CPA) Australia. Both Tan Sri Azlan Bin Mohd Zainol and Dato' Kong Sooi Lin are members of the Malaysian Institute of Accountants (MIA).</p> <p>With the vast working experience and knowledge of all the AC members, they are able to understand matters under the purview of the AC and provide sound advice to the Board.</p> <p>An annual assessment on the performance of the AC during the term of office was undertaken by the Board through the NRC for FY2019 and the Board was satisfied with the performance of the AC.</p> <p>The AC members undertook continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules. The training attended by the AC members during FY2019 are set out in Practice 2.1 above.</p> <p>The details of the activities undertaken by the AC in FY2019 are set out in the AC Report on pages 75 to 78 of the Annual Report 2019.</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 9.1

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 the risk management and internal control of the Group, assisted by the RMC to ensure the effectiveness of the risk management and internal control system.</p> <p>The Board through the RMC reviews the Enterprise Risk Management Framework (“<b>Framework</b>”) and processes to ensure their effectiveness and action plans are in place for the Management to manage the risks which are affecting the business and operations of the Group.</p> <p>The Framework consists of five (5) elements which is in line with globally accepted risk management standards as set out below:</p> <ul style="list-style-type: none"> <li>(i) Risk Governance;</li> <li>(ii) Risk Assessment;</li> <li>(iii) Risk Quantification and Aggregation;</li> <li>(iv) Risk Monitoring and Reporting; and</li> <li>(v) Risk and Control Optimisation.</li> </ul> <p>An overview of the Group’s risk management and internal controls is set out in the Statement on Risk Management and Internal Control on pages 79 to 86 of the Annual Report 2019.</p>
<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 9.2

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 Board through the RMC oversees the risk management matters of the Group and a Framework that outlines the Group's risks and on-going process for identifying, evaluating, managing, monitoring and communicating the risks faced by the Group has been established. The Framework is incorporated into the Risk Management Policy and Guidelines which has been reviewed and approved by the Board in June 2018.</p> <p>All key risks are captured in a risk template and reviewed by the respective business and support units. The risk template includes detailed assessment of risks as well as the corresponding mitigating controls implemented or to be implemented. All risks are consolidated and presented for deliberation during the quarterly Risk Management Team meetings attended by Heads of Department of various business and support units. Subsequently, the reports will be presented to the RMC.</p> <p>The Board had received assurance from the President &amp; CEO and CFO that the Group's risk management and internal control system is operating effectively in all material aspects based on the Framework of the Group.</p> <p>Upon assessment of all material aspects, the Board concluded that the risk management and internal control system of the Group is generally adequate and effective for FY2019. The details of the Group's risk management and internal controls system are set out in the Statement on Risk Management and Internal Control on pages 79 to 86 of the Annual Report 2019.</p>
<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 9.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

<b>Application</b>	:	Adopted															
<b>Explanation on adoption of the practice</b>	:	<p>As at 31 October 2019, the RMC comprised four (4) members, majority of whom are Independent Non-Executive Directors. The members of the RMC are as follows:</p> <table border="1"><thead><tr><th>No.</th><th>Name</th><th>Membership</th></tr></thead><tbody><tr><td>1</td><td>Mr Cheah Tek Kuang</td><td>Chairman</td></tr><tr><td>2</td><td>Tan Sri Azlan Bin Mohd Zainol</td><td>Member</td></tr><tr><td>3</td><td>Dato' Teow Leong Seng</td><td>Member</td></tr><tr><td>4</td><td>Ms Pauline Wong Wan Voon</td><td>Member</td></tr></tbody></table>	No.	Name	Membership	1	Mr Cheah Tek Kuang	Chairman	2	Tan Sri Azlan Bin Mohd Zainol	Member	3	Dato' Teow Leong Seng	Member	4	Ms Pauline Wong Wan Voon	Member
No.	Name	Membership															
1	Mr Cheah Tek Kuang	Chairman															
2	Tan Sri Azlan Bin Mohd Zainol	Member															
3	Dato' Teow Leong Seng	Member															
4	Ms Pauline Wong Wan Voon	Member															

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 10.1

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Internal Audit function is performed in-house and undertaken by Group Corporate Governance (“<b>GCG</b>”), which is led by the Chief Audit Executive (“<b>CAE</b>”).</p> <p>GCG works closely with Messrs BDO LLP (“<b>BDO</b>”) who is undertaking the Internal Audit review of Eco World-Ballymore Holding Company Limited (“<b>EcoWorld-Ballymore</b>”) and Messrs PricewaterhouseCoopers LLP (“<b>PwC</b>”) who is undertaking the Internal Audit review of EcoWorld London pertaining to the UK operations in view of the firms’ familiarity with the regulations and environment.</p> <p>GCG’s primary role is to provide independent, reasonable and objective assurance to add value and improve efficiency of the operations within the Group.</p> <p>It assists the Group to achieve its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes. GCG performs its audit based on the internal audit methodology which is developed in line with the Institute of Internal Auditors’ International Standards for the Professional Practice of Internal Auditing (“<b>IIA Standards</b>”).</p> <p>GCG reports directly to the AC and administratively to the President &amp; CEO. The Annual Internal Audit Plan for FY2019 was prepared on a risk-based approach and approved by the AC. All the audit engagements were carried out based on the approved plan. The Internal Audit reports from the audit engagements carried out were tabled at the quarterly AC meetings. Follow-up audits were also conducted to ascertain the status of implementation of the agreed upon action plans.</p> <p>The AC had in December 2019 conducted an annual assessment on the performance of GCG. The AC was satisfied with the competency, experience and resources of GCG in discharging its roles and responsibilities.</p> <p>In FY2019, the AC also engaged the Institute of Internal Auditors Malaysia (“<b>IIAM</b>”) to perform an external Quality Assessment Review on GCG. The overall opinion on the assessment conducted by IIAM was “<i>Generally Conforms</i>” to the IIA Standards. GCG will continue to meet or strive to exceed IIA Standards in all key aspects and the AC plans to</p>



	<p>commission the next external Quality Assessment review within the next (5) years.</p> <p>During FY2019, the personnel of GCG have attended various internal and external training programmes, aimed at maintaining and enhancing the desired competency levels.</p> <p>A summary of the activities undertaken by GCG for FY2019 is set out in the AC Report on page 75 to 78 of the Annual Report 2019.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

## Practice 10.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Internal Audit function is undertaken by GCG, which is led by the CAE, Mr Santosh P.Govindan Kutty Nair, who holds a Master in Business Administration (Australia). He is a member of Malaysian Institute of Certified Public Accountants (MICPA), Malaysian Institute of Accountants (MIA) and IIAM.</p> <p>CAE oversees two (2) Internal Audit staff in the department and works closely with BDO and PwC who are the Internal Auditors for EcoWorld-Ballymore and EcoWorld London respectively pertaining to the UK operations.</p> <p>All staff of GCG including the CAE are free from any relationship or conflicts of interest, which could impair their objectivity and independence. All staff of GCG have signed the independence declaration and this was noted by the AC in the meeting held in September 2019.</p> <p>The Internal Audit function is guided by the Internal Audit Charter and Internal Audit Methodology which was approved by the AC. Both documents were developed in line with IIA Standards.</p> <p>The AC carried out the annual assessment of the performance of GCG and was satisfied with the performance of GCG for FY2019.</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>	:		
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### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company recognises the importance of high standards of transparency, accountability and timely information in building a long-term relationship with shareholders and stakeholders. The Company seeks to achieve this through proper communication with investors, financial analysts, media and the public. The Company has in place a Disclosure and Communication Policy that enables the Company to disclose comprehensive and material information to the shareholders and stakeholders.</p> <p><b><u>General Meetings</u></b></p> <p>The Board recognises the importance of general meetings which serve as the principal forum for dialogue and interaction between the Board and shareholders. The Board, President &amp; CEO, CFO and External Auditors, if so required, will respond to shareholders' questions during the meeting. The Chairman will provide ample time for the Questions and Answers session at the general meetings. All relevant comments and suggestions given by shareholders and proxies were noted by the Management for consideration.</p> <p><b><u>Annual Reports</u></b></p> <p>The Annual Report provides comprehensive, updated information of the Group, which includes amongst others, the vision and mission statements, the profile of members of the Board and Key Senior Management, CG Overview Statement, President's Management Discussion and Analysis of the Group's financial performance, Sustainability Report and Audited Financial Statements of the Group.</p> <p><b><u>Corporate Website</u></b></p> <p>The Company's corporate website, which is accessible to the public, also serves as another platform to communicate with the shareholders, investors and the general public. The Investor Relations section includes information such as announcements made to Bursa Securities, Annual Reports, press releases, corporate presentations and AGMs.</p>

	<p>To facilitate the stakeholders' understanding of the Group in respect of governance policies, the Company has uploaded various documents such as Board Charter with the TOR of the respective Board Committees, Whistleblowing Policy, Code of Conduct and Business Ethics, Constitution as well as the remuneration policies of Directors and Key Senior Management personnel on the Company's corporate website.</p> <p><b><u>Press Release</u></b></p> <p>The Company issues press releases periodically and regularly to communicate with its stakeholders on corporate and business developments. Press releases are circulated in print and digital format as well as broadcast media for wider publicity and effective media coverage.</p> <p><b><u>Investor Relations</u></b></p> <p>The Company's Investor Relations Department plays an important role in providing ongoing updates on the Group by conducting regular dialogues and discussions with fund managers, financial analysts and shareholders.</p> <p>During FY2019, the President &amp; CEO, CFO and our Investor Relations personnel met with various institutional investors at the following events:</p> <table border="1" data-bbox="560 1155 1378 1413"> <thead> <tr> <th>Date</th> <th>Activities</th> </tr> </thead> <tbody> <tr> <td>13 December 2018</td> <td>Bankers, Fund Managers &amp; Analysts Briefing for Q4 2018 results</td> </tr> <tr> <td>19 &amp; 20 March 2019</td> <td>Invest Malaysia 2019</td> </tr> <tr> <td>27 March 2019</td> <td>Fifth AGM</td> </tr> <tr> <td>27 June 2019</td> <td>Bankers, Fund Managers &amp; Analysts Briefing for Q2 2019 results</td> </tr> </tbody> </table> <p>Any enquiries on investor related matters may be directed to the following persons:</p> <p><b>Ms Melissa Tan Swee Peng</b> CFO Email: <a href="mailto:melissa.tan@ecoworldinternational.com">melissa.tan@ecoworldinternational.com</a></p> <p><b>Mr Saw Xiao Jun</b> Senior Manager – Investor Relations Email: <a href="mailto:xiaojun.saw@ecoworldinternational.com">xiaojun.saw@ecoworldinternational.com</a></p>	Date	Activities	13 December 2018	Bankers, Fund Managers & Analysts Briefing for Q4 2018 results	19 & 20 March 2019	Invest Malaysia 2019	27 March 2019	Fifth AGM	27 June 2019	Bankers, Fund Managers & Analysts Briefing for Q2 2019 results
Date	Activities										
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27 June 2019	Bankers, Fund Managers & Analysts Briefing for Q2 2019 results										
<p><b>Explanation for departure</b></p>	<p>:</p>										

*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

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 11.2

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board is of the view that the current disclosures and dissemination of information with detailed narrative of the Group's financial and non-financial information to our various stakeholders are sufficient for making informed decisions.	
		The Board is taking steps and planning to enhance the disclosures towards adopting the integrated reporting framework in the near future and in stages.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	To be in line with the practice, the Board will move towards a more integrated approach from its existing reporting practices and will consider the adoption of integrated reporting based on a globally recognised framework.	
<b>Timeframe</b>	:	Others	By FY2023

**Intended Outcome**

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

**Practice 12.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>In line with the recommendations of the MCCG, the notice of the Fifth AGM together with the Annual Report 2018 were sent to the shareholders on 26 February 2019, which is twenty-nine (29) days before the date of the AGM held on 27 March 2019, an improvement on the twenty-one (21) days requirement under the Companies Act 2016 and MMLR of Bursa Securities.</p> <p>The additional time given to the shareholders allows them to make the necessary arrangements to attend and participate in person or through corporate representatives or proxies.</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 12.2

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>Save for Dato' Seri Ahmad Johan Bin Mohammad Raslan, who was the AC Chairman, was unable to attend the Fifth AGM held on 27 March 2019 due to unforeseen circumstances. All the other Directors have attended the Fifth AGM to engage directly with the shareholders. All the questions raised by shareholders were responded to by the Chairman and Directors of the Company. The Management and the External Auditors were also present during the AGM to respond to any queries raised by shareholders.</p> <p>At the Fifth AGM, the President &amp; CEO gave a presentation on the financial performance of the Group, market fundamentals as well as progress updates on the UK and Australia projects.</p> <p>The Board encourages shareholders to actively participate during the Questions and Answers session at all general meetings. All questions raised by shareholders and proxies were attended to accordingly.</p> <p>Summary of key matters discussed during the Fifth AGM are published on the Company's corporate website.</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 12.3

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

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Fifth AGM held on 27 March 2019 was at Eco Grandeur Sales Gallery which is located within the vicinity of Klang Valley and is easily accessible by shareholders.</p> <p>The Board encourages participation at the general meetings and adhered to MMLR of Bursa Securities on poll voting for all resolutions set out in the notice of the general meetings. Electronic poll voting was adopted at the Fifth AGM.</p> <p>Boardroom Share Registrars Sdn Bhd, the Share Registrar of the Company was appointed as Poll Administrator to conduct the polling process and Malaysian Issuing House Sdn Bhd was appointed as the Independent Scrutineer to administer the whole polling process and verify the poll results.</p> <p>Personalised wristbands embedded with barcodes, issued by the Poll Administrator, were given to the shareholders during the registration. The Poll Administrator briefed the shareholders and proxies on the electronic polling procedures and the slides on the electronic polling process were displayed on-screen before the commencement of the electronic polling. The polling process was conducted upon the completion of the deliberation of all items transacted at the Fifth AGM. Each counter was equipped with laptops and barcode readers to allow the shareholders and proxies to cast their votes in an efficient and effective manner.</p> <p>The Independent Scrutineer verified the poll results and the Chairman of the meeting announced the results for each resolution during the Fifth AGM. The voting results of all votes cast in respect of each resolution were displayed on-screen. Subsequently, the poll results were announced via Bursa LINK on the same day.</p> <p>The Constitution of the Company allows the Company to hold its general meetings at more than one venue using any technology</p>

	<p>ensuring all shareholders are able to participate, speak and vote at the general meetings.</p> <p>The application of this practice was deferred with the implementation of the alternative practice. The Board will continue to monitor technological developments available to facilitate voting in absentia and allow remote participation by shareholders in the future.</p> <p>Alternative practice: Shareholders are allowed to appoint any person(s) as their proxy(ies) to attend, participate, speak and vote in his/her stead at a general meeting.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	<p>The Board will closely monitor the development in the market on remote shareholders' participation and voting in absentia.</p>
<p><b>Timeframe</b></p>	<p>:</p>	

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

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

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