

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 5283  
**COMPANY NAME** : ECO WORLD INTERNATIONAL BERHAD  
**FINANCIAL YEAR** : October 31, 2020

### **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 whilst 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 &amp; Chief Executive Officer ("<b>CEO</b>") and the Board Committees, namely Audit Committee ("<b>AC</b>"), Risk Management Committee ("<b>RMC</b>"), Nomination &amp; Remuneration Committee ("<b>NRC</b>") and Whistleblowing Committee ("<b>WBC</b>"). The Governance Model is set out in the Corporate Governance Overview Statement of the Annual Report 2020.</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>In the midst of the coronavirus ("<b>COVID-19</b>") pandemic and current global economic turmoil, a special Board meeting was called in August 2020 to deliberate on a new Business Plan and Budget for FY2020 to FY2022 ("<b>New BPB</b>"). The Board deliberated and approved the New BPB with constructive views and furnished valuable insights to the Management for the implementation of the New BPB.</p>

In October 2020, the Board reviewed the overall performance of the Group for FY2020 and the Management presented the Business Plan and Budget (“BP”) for FY2021 with the theme of “*Refocus & Realise*” to the Board for review and consideration. The BP FY2021 encompasses detailed strategies on the implementation of the New BPB which has been approved by the Board in August 2020.

The Board oversees and ensures that the Company progresses towards the BP set by the Board, in line with the Company’s purpose, agreed corporate strategy, legislative requirements and community expectations.

In ensuring the plan supports long-term value creation, the Board had in June 2020 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 include (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; (vi) peace, justice and strong institutions; and (vii) climate action.

In December 2020, the enhancements to the reporting framework such as (i) expansion of scope and boundary of reporting; (ii) incorporation of integrated reporting elements; (iii) adoption of 1 new United Nations Sustainable Development Goal (UNSDG), climate action; and (iv) sustainability Key Performance Indicators (“KPI”) were tabled to the Board and the Board had approved the Sustainability Report 2020 on 4 February 2021.

(b) Corporate Governance (“CG”)

In ensuring the value to 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 under review, the Board’s commitment towards excellence in corporate reporting was recognised by the National Annual Corporate Report Awards (NACRA) whereby the Company was presented with the award of “*Excellence (Silver)*” in December 2020.

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.

Policies are also in place, such as Board Diversity Policy, Code of Conduct and Business Ethics (“**Code of Conduct**”), Whistleblowing Policy, Directors Remuneration Policy, Key Management Personnel Remuneration Policy and External Auditors Policy to promote a culture of integrity and ethics within the Group. The Group had also formalised the Anti-Bribery and Anti-Corruption Policy (“**ABC Policy**”) to reiterate the Group’s stand against all forms of corruption and bribery while providing clarity on the parameters and controls instituted.

(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 BP.

(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 of the Annual Report 2020.

(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 for continuity of the vision and mission of the Group.

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.

	<p>During the year under review, the NRC had considered and proposed the appointment of Dato' Chang Khim Wah as a Non-Independent Non-Executive Director to the Board for approval.</p> <p>Successors for Key Senior Management and key critical positions have been identified and groomed under the leadership management programme.</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><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

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. He leads the Board by setting the tone at the top and managing Board effectiveness by focusing on strategy, governance and compliance.</p> <p>The following are the key responsibilities of the Chairman of the Board:</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> <p>Based on the results of the assessment of the Board Chairman's roles and responsibilities for FY2020, the Board concluded that the Chairman has performed well in building healthy boardroom dynamics and able to direct the Board discussion towards the emergence of consensus views.</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

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 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 CEO, Dato' Teow Leong Seng focuses on the day-to-day management of the business of the Group and is responsible for implementation of the Board's policies and decisions. The responsibilities of the CEO, includes amongst others:</p> <ul style="list-style-type: none"><li>(i) Ensuring the Group's corporate identity, products and services are of high standards and are reflective of the market environment;</li><li>(ii) Regularly reviewing 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) Assessing 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>	:		
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## 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 2 Company Secretaries, namely 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 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. Among others, the Company Secretaries:</p> <ol style="list-style-type: none"><li>(1) Provide full access and services to the Directors in fulfilling their fiduciary duties. Updates on regulatory changes such as amendments to Listing Requirements and Companies Act 2016 were provided by the Company Secretaries to ensure that the Board adheres with relevant legislation and regulations at all times.</li><li>(2) 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 ("Bursa Securities").</li><li>(3) Facilitate proper communications and ensure the effective flow of information between the Board, Board Committees and the Management.</li></ol>

	<p>(4) Constantly keep themselves abreast with the regulatory changes and developments through attendance at various trainings and seminars.</p> <p>(5) Play an important role in ensuring that the proceedings in general meetings are in place and properly managed. The Company Secretaries assist the Chairman and the Board members in facilitating the conduct of the meetings and ensure the minutes are properly recorded.</p> <p>(6) Facilitated the annual assessment on the effectiveness of the Board, Board Committees and individual Directors for FY2020. The results were collated and tabled at the NRC Meeting in December 2020 and subsequently to the Board for deliberation.</p> <p>An assessment on the performance of the Company Secretaries was also conducted in December 2020. 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>
<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 1.5

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 meets at least 5 times a year with additional meetings if required. In order to ensure all the Directors are able to attend the Board and Board Committee meetings, the calendar for the Board and Board Committee meetings is circulated in advance before the commencement of the financial year which allows the Directors to plan their schedules.</p> <p>Prior to Board meetings, all Directors are furnished with the notice of the meeting which sets out the matters to be discussed at least 7 days prior to the meetings.</p> <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 core board papers are uploaded via board portal at least 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 contain comprehensive management reports, minutes of meetings, detailed proposal papers and supporting documents to enable the Board to discharge its duties effectively.</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 Committee meetings since 2016, 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 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 Committee 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</p>

	<p>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 are circulated to all the Board and Board Committee members for their review/comments prior to the confirmation at the following meeting. Items that have yet to be resolved would remain as matters arising until the matters have been resolved. The Directors may request for clarification before the minutes are confirmed. The minutes will be signed by the Chairman/Chairperson of the meeting as a correct record upon confirmation by the Board and Board Committees.</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

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 Non-Executive Director are clearly defined in the Board Charter, which is subject to periodic review and was last 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 by proposing potential candidates to be appointed 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 and Chief Financial Officer ("<b>CFO</b>") of the Company.</p> <p>(iii) <u>RMC</u> The RMC assists the Board to evaluate the Group's level of risk tolerance, assesses and monitors the risks, reviews the Group's internal controls system and engages 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 TOR of each Board Committee is available on the Company’s corporate website.

For day-to-day management of the Group, the authority is delegated to the CEO and further cascaded by the CEO to the Management team for execution of the plans and strategies approved by the Board.

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) Conflicts 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 programmes 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’ Chang Khim Wah who was appointed to the Board on 25 June 2020 has attended the Mandatory Accreditation Programme (MAP).

In FY2020, the Directors have attended various training programmes to keep abreast with relevant changes in laws, regulations and industry developments. Details are set out below:

Name of Director	List of Training/Conference/Seminar/Workshop Attended
Tan Sri Azlan Bin Mohd Zainol	Integrated Thinking & Value Creation Awareness
	Cyber and Economic Crime: Fraudsters and Cyber Criminals, too, can work from home

Name of Director	List of Training/Conference/Seminar/Workshop Attended
Tan Sri Azlan Bin Mohd Zainol (Cont'd)	Governance and Risk: An Uncertain World, a Riskier Landscape
	COVID-19 Impact on Financial Reporting: Not Business as Usual
	Section 17A of the MACC Amendment Act 2018
Tan Sri Dato' Sri Liew Kee Sin	Invest Malaysia 2020 - Economic Recovery: Policies & Opportunities
Dato' Teow Leong Seng	Anti-Bribery and Anti-Corruption Policy Training
	BMCC-Knight Frank: Managing issues related to Real Estate Sector
	A look ahead at the Property Industry
	Invest Malaysia 2020 - Economic Recovery: Policies & Opportunities
Cheah Tek Kuang	Cyber Risk in the Boardroom
	Data Driven Decision in Integrated Value Creation for Corporate Directors/C-Suites
	Invest Malaysia 2020 - Economic Recovery: Policies and Opportunities; Powering Malaysia: Infrastructure, Plantation and Commodities Industry; and Advancing Malaysia: 5G and Industry 4.0
	Section 17A - Protecting You and Your Business with T.R.U.S.T.
	Asia Business School-IMF Regional Outlook for Asia and Pacific - Navigating Pandemic: A Multispeed Recovery
	Dato' Chang Khim Wah
How to Become a Confident Public Speaker	
CEO Talk Series: Old Business, New World	
Choong Yee How	SGX Listing Rules and Code of Corporate Governance 2018
	SGX Listing Rule Changes
	Amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements in relation to Anti-Corruption Measures
	Digitize and Orchestrate your Business Continuity & Pandemic Plan
	Preparing for Corporate Provision (New Section 17A of MACC Act 2009 [Amended 2018])
	Cheng Hsing Yao
Bank of Singapore - Weathering the Outlook Ahead	
Urban Land Institute Asia Pacific Webinar – Beyond COVID-19	
Urban Land Institute Asia Pacific Digital Programme CBRE Symposium 2020 - The Way Forward	
Tan Sri Datuk Dr Rebecca Fatima Sta Maria	World Development Report: Trading for Development in the Age of Global Value Chains
	Leadership in a Time of Crisis
	Enlightenment on the Shariah Resolutions
	Supporting Women's Access to Global Markets
	Regional Trade Policy in an Era of Deglobalization
Dato' Siow Kim Lun	Audit Oversight Board - Conversation with Audit Committee
	Capital Market Directors' Programme
	Enlightenment on Shariah Resolutions
	Anti-Money Laundering and Counter-Terrorism Financing
	Malaysia Property Market Outlook



	<b>Name of Director</b>	<b>List of Training/Conference/Seminar/Workshop Attended</b>
	Dato' Kong Sooi Lin	Audit Oversight Board - Conversation with Audit Committee Islamic Finance for Board of Directors Programme Introduction to Section 17A MACC (Amendment) Act 2018 - Corporate Liability Capital Market Director Program: Module 1 - 4 Anti-Money Laundering Training
	Pauline Wong Wan Voon	2020 Fraud Trends, Risks and Controls Paradigm Shift: Director's & Shareholder's Duties & Liabilities in a Crisis Strengthening Anti-Bribery & Corruption Practices in Vulnerable Areas Transformation Towards Recovery: Operational Resilience EU General Data Protection Regulation: Two Years On
<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>	: <b><u>Code of Conduct and ABC Policy</u></b>  (1) The Group is committed to maintaining high standards of conduct and business ethics which shall be observed by Directors, employees of the Group and other third parties engaged to act on the Group's behalf. The revised Code of Conduct was approved by the Board in March 2020, where revisions were made to align the same with the ABC Policy which came into effect in March 2020.  (2) The Directors and employees of the Group are responsible for safeguarding the business and reputation of the Group. The Code of Conduct was formulated to provide clear directions on conduct of business, general workplace behaviour and dealing with stakeholders.  (3) 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 and the principles under the ABC Policy, the stricter provisions shall prevail.  (4) The revised Code of Conduct and ABC Policy were circulated to all employees of the Company and mandatory acknowledgement from all employees is required to state that they have read and understood the Code of Conduct and the ABC Policy and will abide by the said policies during the term of their service with the Company. Vendors, suppliers 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 are also expected to comply with both the Code of Conduct and ABC Policy.

	<p>(5) Latest versions of the Code of Conduct and ABC Policy are made available on the Company’s corporate website and will be reviewed periodically to ensure they remain current and adequate in addressing any ethical issues that may arise within the Group.</p> <p><b><u>Integrity Team</u></b></p> <p>The Integrity Team was established under the purview of the RMC to assist the Board in ensuring a sustainable anti-corruption compliance programme. During the year under review, the Integrity Team has initiated the following:</p> <ol style="list-style-type: none"> <li>(1) An online Gifts Register in which all personnel (including employees, Directors and Board Committee members) are required to declare any gifts received from third parties, regardless of value within 5 working days of receipt of the gift;</li> <li>(2) E-learning course to increase employees’ awareness on the ABC Policy and Whistleblowing Policy, accompanied by an assessment to test the employees’ knowledge and understanding on the course; and</li> <li>(3) Communication of the ABC Policy to and confirmation of its compliance by business partners, such as contractors, sub-contractors, consultants, agents, representatives and other service providers performing services for and on behalf of the Group.</li> </ol> <p><b><u>Disclosure and Communication Policy</u></b></p> <ol style="list-style-type: none"> <li>(1) The Group has in place a Disclosure and Communication Policy which governs the communication practices by the Board, its Management and all employees. The said policy contains an express prohibition on insider trading. This includes the use or disclosure of price sensitive information for personal benefits or for the benefits of others. Directors and employees who have access to price-sensitive information relating to the Company in particular when such information is not available to the public, should observe the relevant laws and regulations such as Companies Act 2016, Capital Markets and Services Act 2007, MMLR of Bursa Securities and other applicable laws in respect of trading of securities.</li> <li>(2) The Company Secretaries will also send notices on the closed period for trading in the Company’s listed securities to the Board and Principal Officers on a quarterly basis to remind the Board and Principal Officers not to deal with the Company’s listed securities during the specific timeframe.</li> </ol>
<p><b>Explanation for departure</b></p>	<p>:</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

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>In order to ensure independence, the WBC comprises solely Independent Non-Executive Directors. The TOR of the WBC was amended and adopted by the Board in September 2020 subsequent to the introduction of the Malaysian Anti-Corruption Commission Act (Amendment) 2018 (MACC Act) and is available on the Company's corporate website.</p> <p>The WBC holds its meetings at least once a year and additional meetings as and when whistleblowing cases have been reported. In FY2020, there was 1 meeting held in September 2020 and no cases were reported to the WBC thus far.</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. The revised Whistleblowing Policy was approved in March 2020 to allow any allegation to be made anonymously.</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 via email 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 against anyone reporting a violation or assisting in investigations will be subject to disciplinary action. The WBC will ensure that the</p>

	investigations are carried out using the appropriate channels, resources and expertise.	
<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 4.1

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 11 Directors as follows:</p> <ul style="list-style-type: none"><li>(i) 6 Independent Non-Executive Directors, which constitute 54.5% of the Board;</li><li>(ii) 3 Non-Independent Non-Executive Directors; and</li><li>(iii) 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 2 or 1/3 of the Board must be Independent Directors, whichever is higher.</li></ul> <p>All the 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> <p>The composition and size of the Board is reviewed, through the NRC annually to ensure its appropriateness and effectiveness.</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 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 9 years, the Board must justify the decision and seek shareholders' approval at a general meeting. In justifying the decision, the NRC is entrusted to assess the candidates' suitability, such as their pertinent expertise, skills and knowledge of the Group's business to continue as Independent Directors.</p> <p>All the Independent Directors have served the Board for less than 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 2020 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>0</td> <td>2</td> <td>4</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	0	2	4	0
Year of Service	≤ 1	1 to ≤ 3	3 to ≤ 6	6 to ≤ 9											
No. of Directors	0	2	4	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>	:		
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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 4.3 - 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 Diversity Policy was adopted by the Board 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.</p> <p>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 and the Corporate Governance Overview Statement of the Company's Annual Report 2020.</p> <p>Following the resignation of Dato' Voon Tin Yow on 28 February 2020, who was the representative of Eco World Capital (International) Sdn Bhd, a major shareholder of the Company, Dato' Chang Khim Wah was nominated to be appointed as a Non-Independent Non-Executive Director in replacement thereof pursuant to the Shareholders' Agreement.</p> <p>The NRC had reviewed and assessed his experience, skills, time commitment and expertise and was satisfied that he had fulfilled the required criteria set by the Board. With the recommendation of the NRC, the Board having reviewed his vast knowledge and experience in the property development industry, approved his appointment as the Non-Independent Non-Executive Director of the Company on 25 June 2020.</p> <p>The Board undertook an 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 11 members despite the maximum number of 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 98% is achieved based on the following criteria:</p>

- (i) Mix and Composition
- (ii) Quality of Information and Decision Making
- (iii) Board Relationship with the Management
- (iv) Boardroom Activities
- (v) Board Chairman's Roles and Responsibilities

The Board was satisfied that its composition reflected an appropriate 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 management. This combination of different professions and skills provides different perspectives to the Board in leading the Group.

The gender, nationality and age of the Directors as at 31 October 2020 are set out follows:

	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	3	4	3

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 2020 are set out as below:

	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	0	2	1	2

The above disclosures are in compliance with Paragraph 15.08A(3) of MMLR.

**Explanation for departure** :

*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

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>As at 31 October 2020, the Board has a 27% representation of women Directors with the appointment of Dato' Kong Sooi Lin as an Independent Non-Executive Director on 1 April 2019. 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 reflects 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>Succession planning is an integral part of the Board's CG practices to ensure continuity in meeting the Group's long-term goals and objectives. In sourcing for candidates, the NRC does not rely solely on the recommendations from the existing Board members, Management or major shareholders. They also tap on various channels to identify suitable qualified candidates to ensure that the Board will always have a pool of talent for selection whenever there is a need to appoint new Directors.</p> <p>In identifying suitably qualified candidates for appointment of Directors, the NRC will consider the following sources:</p> <ul style="list-style-type: none"> <li>(i) Independent search firms</li> <li>(ii) Industry and professional associations</li> <li>(iii) Open advertisements</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

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 (“<b>Mr Cheah</b>”), 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> <p>During the year under review, Mr Cheah leads the NRC in carrying out the following activities:</p> <ul style="list-style-type: none"><li>(i) Reviewed the Performance Incentive Scheme to ensure long-term sustainability of the business;</li><li>(ii) Reviewed the revised Board and Board Committee evaluation forms;</li><li>(iii) Assessed the performance of the Board, Board Committees, Company Secretary and CFO;</li><li>(iv) Reviewed the level of independence of the Independent Directors;</li><li>(v) Reviewed the terms of office of the AC members, competency and performance of the AC in discharging their duties;</li><li>(vi) Assessed the training needs of the Directors;</li><li>(vii) Reviewed the performance of the Directors who are retiring at the upcoming 7<sup>th</sup> Annual General Meeting (“<b>AGM</b>”) and seeking re-election;</li><li>(viii) Reviewed the Directors’ Fees and benefits payable to the Independent Non-Executive Directors and recommended to the Board and shareholders for approval;</li><li>(ix) Assessed the appointment of Dato’ Chang Khim Wah as a Non-Independent Non-Executive Director of the Company; and</li><li>(x) Reviewed the renewal of Fixed Term Employment Contract of the CEO and recommended to the Board for approval.</li></ul>
<b>Explanation for departure</b>	:	



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

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

## Intended Outcome

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>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>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>In order to assess the effectiveness of each Board Committee members, for FY2020, the Board has requested the self and peer evaluations to be conducted for all the Board Committees. The evaluation was carried out through an online assessment and facilitated by the external Company Secretary, Boardroom Corporate Services Sdn Bhd.</p> <p>The Company Secretary presented the results to the NRC and Board in December 2020. The overall ratings for each of the Board Committees are good based on the elements assessed, i.e. composition, provision of the meeting materials, recommendations and contributions of the committees to the Board.</p> <p>Besides, the overall result of the assessment of the Board has increased to 98% (FY2019: 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></ul>

- (iv) Boardroom Activities
- (v) Board Chairman's Roles and Responsibilities

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.

Based on the results of the assessment for FY2020, the Board and the NRC were satisfied with the following outcomes:

- (i) The diversity in the composition of the Board and Board Committees is present, including competencies and experience of Board members. The diverse Board is capable of functioning as a collegial unit without compromising on the rigour of deliberations made in the Company's best interest;
- (ii) Based on the assessment of the skills set matrix, the Board has a significant number of Directors with skill sets of leadership, strategic planning, corporate governance, risk management and internal control and general management/business, which in turn helps with the oversight of the strategic direction of the Group;
- (iii) The Chairman of the Board demonstrates effective leadership and able to direct the Board discussion towards the emergence of consensus views which bring valued objectivity to the Board; and
- (iv) The Independent Directors are independent and free from any business or other relationship which could interfere with the exercise of independent judgement and objective.

The Board has identified the following areas to focus on in the future:

- (a) long-term sustainability of the business, commitment to complete and deliver the projects as scheduled and ensuring the well-being and safety of our employees; and
- (b) monitor the progress of the implementation of the New BPB to work towards a dividend plan to reward shareholders.

The results of the assessment will also be used as a basis for recommending the relevant Directors for re-election at the upcoming AGM.

In accordance with the Company's Constitution, 1/3 of the Directors are subject to retirement by rotation annually and all Directors including the CEO shall retire from office at least once every 3 years.

The Directors to retire each year are the Directors who have been longest in office since their last election. The Directors appointed during the financial year are subject to retirement at the next AGM held following their appointments in accordance with the Company's Constitution. All retiring Directors are eligible for re-election. The re-election of each Director is voted on separate resolutions during the

	<p>AGM of the Company. Based on the schedule of rotation, the following Directors are subject to retirement by rotation pursuant to the Company's Constitution at the upcoming 7<sup>th</sup> AGM:</p> <p><u>Clause 114 of the Company's Constitution</u></p> <p>(i) Mr Choong Yee How  (ii) Mr Cheng Hsing Yao  (iii) Tan Sri Datuk Dr Rebecca Fatima Sta Maria</p> <p><u>Clause 121 of the Company's Constitution</u></p> <p>(i) Dato' Chang Khim Wah</p> <p>All the aforesaid Directors have expressed their intention to seek for re-election at the upcoming 7<sup>th</sup> AGM.</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 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 take 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 a 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>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><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 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>	:	<p>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 CEO as well as the CFO. The TOR of the NRC is available on the Company's corporate website.</p> <p>In December 2020, the NRC and the Board have reviewed the Director's Fees and benefits payable to the Independent Non-Executive Directors and recommended the same in 2 separate resolutions set out as below for shareholders' approval at the upcoming 7<sup>th</sup> AGM of the Company:</p> <ul style="list-style-type: none"><li>(i) To approve the payment of Directors' Fees to the Independent Non-Executive Directors quarterly in arrears from the upcoming 7<sup>th</sup> AGM to the 8<sup>th</sup> AGM of the Company; and</li><li>(ii) To approve the payment of Directors' benefits to the Independent Non-Executive Directors from the upcoming 7<sup>th</sup> AGM to the 8<sup>th</sup> AGM of the Company.</li></ul> <p>FY2020 was a turbulent year caused by the COVID-19 pandemic which had impacted the global economy causing a slowdown in global operations and closure of borders which have created a socio-economic crisis resulting in challenges to the business. As such, the NRC had proposed and the Board had recommended to the shareholders for approval, a 20% reduction in Directors' Fees from RM200,000 to RM160,000 per annum, payable to each Independent Non-Executive Director from the upcoming 7<sup>th</sup> AGM to the 8<sup>th</sup> AGM of the Company, whilst, the Directors' benefits remain unchanged.</p> <p>The benefits payable to the Independent Non-Executive Directors are in the form of meeting allowances for each of the Board and Board Committee meetings attended by the Independent Non-Executive Directors. At the 6<sup>th</sup> AGM of the Company held on 19 May 2020, the</p>

	<p>shareholders of the Company have approved the benefits payable to the Independent Non-Executive Directors of the Company from the 6<sup>th</sup> AGM to the 7<sup>th</sup> AGM of the Company for an amount up to RM230,000. A total of RM178,000 has been utilised up to the 7<sup>th</sup> AGM of the Company. Details of the breakdown are set out in Practice 7.1 of this report.</p> <p>The total amount of benefits payable to the Independent Non-Executive Directors is estimated to be up to RM230,000 from the upcoming 7<sup>th</sup> AGM up to the 8<sup>th</sup> AGM of the Company. In determining the estimated amount of Directors' benefits, the number of scheduled and special meetings for the Board and Board Committee meetings as well as the number of Independent Non-Executive Directors involved in the meetings are taken into account. The payment of Directors' benefits will only be made by the Company as and when incurred and subject to the approval being obtained from the shareholders at the upcoming 7<sup>th</sup> AGM.</p> <p>With the implementation of the new rewards framework which has been approved by the Board in December 2019, the remuneration package of the Executive Directors and Key Senior Management of the Company are linked to the corporate and individual performance measures.</p> <p>The Board was satisfied with the performance of the NRC in discharging its functions in accordance with its TOR during FY2020.</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 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>	: Details of the Board's remuneration are set out below: <table border="1" data-bbox="558 739 1404 907"> <thead> <tr> <th>Name</th> <th>Salary &amp; Bonus <sup>(1)</sup></th> <th>Allowances</th> <th>Benefits-in Kind</th> <th>Total</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>5,991,000</td> <td>162,000</td> <td>0</td> <td>6,153,000</td> </tr> <tr> <td>Dato' Teow Leong Seng</td> <td>3,044,000</td> <td>113,000</td> <td>85,000</td> <td>3,242,000</td> </tr> </tbody> </table> <table border="1" data-bbox="558 940 1404 1646"> <thead> <tr> <th rowspan="3">Name</th> <th colspan="3">Directors' Fees</th> </tr> <tr> <th>Amount Approved by Shareholders at the 6<sup>th</sup> AGM</th> <th>Amount Paid/ To Be Paid <sup>(2)</sup></th> <th>Amount To Be Approved by Shareholders at the 7<sup>th</sup> AGM <sup>(3)</sup></th> </tr> <tr> <th colspan="2">From 1 November 2019 to 7<sup>th</sup> AGM</th> <th>From 7<sup>th</sup> AGM to 8<sup>th</sup> AGM <sup>(4)</sup></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>283,333</td> <td>246,667</td> <td>160,000</td> </tr> <tr> <td>Cheah Tek Kuang</td> <td>283,333</td> <td>246,667</td> <td>160,000</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>Dato' Chang Khim Wah <sup>(5)</sup></td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Tan Sri Datuk Dr Rebecca Fatima Sta Maria</td> <td>283,333</td> <td>246,667</td> <td>160,000</td> </tr> <tr> <td>Dato' Siow Kim Lun</td> <td>283,333</td> <td>246,667</td> <td>160,000</td> </tr> <tr> <td>Dato' Kong Sooi Lin</td> <td>283,333</td> <td>246,667</td> <td>160,000</td> </tr> <tr> <td>Pauline Wong Wan Voon</td> <td>283,333</td> <td>246,667</td> <td>160,000</td> </tr> <tr> <td>Dato' Voon Tin Yow <sup>(6)</sup></td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td><b>Total</b></td> <td><b>1,699,998</b></td> <td><b>1,480,002</b></td> <td><b>960,000</b></td> </tr> </tbody> </table> <p><b>Notes:</b></p> <p>(1) Include EPF and Socso contributions</p> <p>(2) Directors' Fees paid/to be paid to the Independent Non-Executive Directors for their services rendered from 1 November 2019 to the upcoming 7<sup>th</sup> AGM</p> <p>(3) Subject to shareholders' approval at the upcoming 7<sup>th</sup> AGM</p> <p>(4) Based on the assumption that the 8<sup>th</sup> AGM of the Company will be held in March 2022</p> <p>(5) Appointed on 25 June 2020</p> <p>(6) Resigned on 28 February 2020</p>	Name	Salary & Bonus <sup>(1)</sup>	Allowances	Benefits-in Kind	Total	<b>Executive Directors</b>					Tan Sri Dato' Sri Liew Kee Sin	5,991,000	162,000	0	6,153,000	Dato' Teow Leong Seng	3,044,000	113,000	85,000	3,242,000	Name	Directors' Fees			Amount Approved by Shareholders at the 6 <sup>th</sup> AGM	Amount Paid/ To Be Paid <sup>(2)</sup>	Amount To Be Approved by Shareholders at the 7 <sup>th</sup> AGM <sup>(3)</sup>	From 1 November 2019 to 7 <sup>th</sup> AGM		From 7 <sup>th</sup> AGM to 8 <sup>th</sup> AGM <sup>(4)</sup>	<b>Non-Executive Directors</b>				Tan Sri Azlan Bin Mohd Zainol	283,333	246,667	160,000	Cheah Tek Kuang	283,333	246,667	160,000	Choong Yee How	-	-	-	Cheng Hsing Yao	-	-	-	Dato' Chang Khim Wah <sup>(5)</sup>	-	-	-	Tan Sri Datuk Dr Rebecca Fatima Sta Maria	283,333	246,667	160,000	Dato' Siow Kim Lun	283,333	246,667	160,000	Dato' Kong Sooi Lin	283,333	246,667	160,000	Pauline Wong Wan Voon	283,333	246,667	160,000	Dato' Voon Tin Yow <sup>(6)</sup>	-	-	-	<b>Total</b>	<b>1,699,998</b>	<b>1,480,002</b>	<b>960,000</b>
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<b>Executive Directors</b>																																																																															
Tan Sri Dato' Sri Liew Kee Sin	5,991,000	162,000	0	6,153,000																																																																											
Dato' Teow Leong Seng	3,044,000	113,000	85,000	3,242,000																																																																											
Name	Directors' Fees																																																																														
	Amount Approved by Shareholders at the 6 <sup>th</sup> AGM	Amount Paid/ To Be Paid <sup>(2)</sup>	Amount To Be Approved by Shareholders at the 7 <sup>th</sup> AGM <sup>(3)</sup>																																																																												
	From 1 November 2019 to 7 <sup>th</sup> AGM		From 7 <sup>th</sup> AGM to 8 <sup>th</sup> AGM <sup>(4)</sup>																																																																												
<b>Non-Executive Directors</b>																																																																															
Tan Sri Azlan Bin Mohd Zainol	283,333	246,667	160,000																																																																												
Cheah Tek Kuang	283,333	246,667	160,000																																																																												
Choong Yee How	-	-	-																																																																												
Cheng Hsing Yao	-	-	-																																																																												
Dato' Chang Khim Wah <sup>(5)</sup>	-	-	-																																																																												
Tan Sri Datuk Dr Rebecca Fatima Sta Maria	283,333	246,667	160,000																																																																												
Dato' Siow Kim Lun	283,333	246,667	160,000																																																																												
Dato' Kong Sooi Lin	283,333	246,667	160,000																																																																												
Pauline Wong Wan Voon	283,333	246,667	160,000																																																																												
Dato' Voon Tin Yow <sup>(6)</sup>	-	-	-																																																																												
<b>Total</b>	<b>1,699,998</b>	<b>1,480,002</b>	<b>960,000</b>																																																																												

Name	Allowances		
	Amount Approved by Shareholders at the 6 <sup>th</sup> AGM	Amount Paid/ To Be Paid <sup>(7)</sup>	Amount To Be Approved by Shareholders at the 7 <sup>th</sup> AGM <sup>(3)</sup>
	From 6 <sup>th</sup> AGM to 7 <sup>th</sup> AGM		From 7 <sup>th</sup> AGM to 8 <sup>th</sup> AGM
<b>Non-Executive Directors</b>			
Tan Sri Azlan Bin Mohd Zainol	-	40,000	-
Cheah Tek Kuang	-	32,000	-
Choong Yee How	-	-	-
Cheng Hsing Yao	-	-	-
Dato' Chang Khim Wah <sup>(5)</sup>	-	-	-
Tan Sri Datuk Dr Rebecca Fatima Sta Maria	-	20,000	-
Dato' Siow Kim Lun	-	32,000	-
Dato' Kong Sooi Lin	-	28,000	-
Pauline Wong Wan Voon	-	26,000	-
Dato' Voon Tin Yow <sup>(6)</sup>	-	-	-
<b>Total</b>	<b>230,000</b>	<b>178,000</b>	<b>230,000</b>

**Notes:**

<sup>(3)</sup> Subject to shareholders' approval at the upcoming 7<sup>th</sup> AGM

<sup>(5)</sup> Appointed on 25 June 2020

<sup>(6)</sup> Resigned on 28 February 2020

<sup>(7)</sup> Meeting allowances paid/to be paid to the Independent Non-Executive Directors for each of the Board and Board Committee meetings attended from the 6<sup>th</sup> AGM to the upcoming 7<sup>th</sup> AGM

At the 6<sup>th</sup> AGM of the Company held on 19 May 2020, the shareholders have approved the payment of total Directors' Fees of RM1,699,998 for all the Independent Non-Executive Directors from 1 November 2019 to the upcoming 7<sup>th</sup> AGM. In cognisance of the current unprecedented challenges posed by COVID-19 pandemic and current uncertain economic environment, the Independent Non-Executive Directors have voluntarily agreed to take a 20% reduction in their fees from 1 May 2020 until the 7<sup>th</sup> AGM ("**Reduced Directors' Fees**"), the Board has also proposed the Reduced Directors' Fees from the 7<sup>th</sup> AGM to the 8<sup>th</sup> AGM to the shareholders for approval. The proposed amount of the benefits payable to the Independent Non-Executive Directors from the 7<sup>th</sup> AGM to the 8<sup>th</sup> AGM remain unchanged.

The Board has proposed the following to the shareholders for approval at the upcoming 7<sup>th</sup> AGM:

- (i) Directors' Fees of RM160,000 per annum for each Independent Non-Executive Director to be paid quarterly in arrears from the 7<sup>th</sup> AGM to the 8<sup>th</sup> AGM of the Company; and
- (ii) Directors' benefits payable to the Independent Non-Executive Directors up to RM230,000 from the 7<sup>th</sup> AGM to the 8<sup>th</sup> AGM of the Company.

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.	
<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>	:	Departure												
<b>Explanation on application of the practice</b>	:													
<b>Explanation for departure</b>	:	<p>The Board is of the view that it would not be in its best interest of the Company to make such detailed disclosure of Key Senior Management's remuneration on a named basis. Accordingly, such details are not disclosed in view of the competitive market for talents in the property development industry and to support the Company's effort in attracting and retaining highly talented personnel.</p> <p>The total remuneration of the 5 Key Senior Management in bands of RM50,000 for FY2020 are set out below:</p> <table border="1"> <thead> <tr> <th>Total Remuneration in bands of RM50,000</th> <th>No. of Key Senior Management</th> </tr> </thead> <tbody> <tr> <td>RM800,000 to RM850,000</td> <td>1</td> </tr> <tr> <td>RM1,000,001 to RM1,050,000</td> <td>1</td> </tr> <tr> <td>RM1,150,001 to RM1,200,000</td> <td>1</td> </tr> <tr> <td>RM1,200,001 to RM1,250,000</td> <td>1</td> </tr> <tr> <td>RM2,200,000 to RM2,250,000</td> <td>1</td> </tr> </tbody> </table> <p>The Company always benchmarks the remuneration of the Key Senior Management within the property development industry and ensures that their remuneration commensurate with the scope of work, responsibilities as well as performance against KPIs.</p>	Total Remuneration in bands of RM50,000	No. of Key Senior Management	RM800,000 to RM850,000	1	RM1,000,001 to RM1,050,000	1	RM1,150,001 to RM1,200,000	1	RM1,200,001 to RM1,250,000	1	RM2,200,000 to RM2,250,000	1
Total Remuneration in bands of RM50,000	No. of Key Senior Management													
RM800,000 to RM850,000	1													
RM1,000,001 to RM1,050,000	1													
RM1,150,001 to RM1,200,000	1													
RM1,200,001 to RM1,250,000	1													
RM2,200,000 to RM2,250,000	1													
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>														
<b>Measure</b>	:	The Board will continuously monitor and consider the appropriateness of the disclosure in the future.												
<b>Timeframe</b>	:	Others												

**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 is led by Dato' Siow Kim Lun who was appointed as the Chairman of the AC since 1 April 2019, whilst the Chairman of the Board is Tan Sri Azlan Bin Mohd Zainol.</p> <p>The AC comprises 3 members who are Independent Non-Executive Directors. The current composition of the AC is set out below:</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</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</td><td>Member</td></tr></tbody></table> <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> <p>The details of the activities undertaken by the AC are set out in the AC Report of the Annual Report 2020.</p>	No.	Name	Membership	1	Dato' Siow Kim Lun	Chairman	2	Tan Sri Azlan Bin Mohd Zainol	Member	3	Dato' Kong Sooi Lin	Member
No.	Name	Membership												
1	Dato' Siow Kim Lun	Chairman												
2	Tan Sri Azlan Bin Mohd Zainol	Member												
3	Dato' Kong Sooi Lin	Member												
<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>	:	<p>An External Auditors Policy is in place which requires a former key audit partner to observe a cooling-off period of at least 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.</p> <p>Presently, none of the members of the AC are former key audit partners.</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 8.3

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 during the 6<sup>th</sup> AGM of the Company held on 19 May 2020, approved the re-appointment of Messrs KPMG PLT ("KPMG") as the External Auditors of the Company for FY2020.</p> <p>In order to ensure effective and independent audit, the Board has approved the External Auditors Policy on 27 June 2019 which outlines 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>As guided by its TOR, the AC had in September 2020 undertaken an assessment on the suitability, effectiveness and independence of all the External Auditors of the Group, namely KPMG, KPMG Dublin and BDO London based on the feedback from Management.</p> <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 FY2020 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 FY2021 to be tabled to the shareholders for approval at the upcoming 7<sup>th</sup> AGM.</p> <p>In December 2020, KPMG also 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 FY2020.</p>



	<p>The External Auditors Policy also states that the audit partner responsible for the external audit of the Group will be subject to a 5 years rotation. The current audit partner is holding the position since 2019 and will be due for rotation after 5 years.</p> <p>The details of the activities undertaken by the AC are set out in the AC Report of the Annual Report 2020.</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

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 FY2020, the AC consists of 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</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</td><td>Member</td></tr></tbody></table> <p>The Board firmly believes the AC would be able to provide impartial and unbiased views along with the relevant checks and balances on matters relating to the audit of the Company with its current composition.</p>	No.	Name	Membership	1	Dato' Siow Kim Lun	Chairman	2	Tan Sri Azlan Bin Mohd Zainol	Member	3	Dato' Kong Sooi Lin	Member
No.	Name	Membership												
1	Dato' Siow Kim Lun	Chairman												
2	Tan Sri Azlan Bin Mohd Zainol	Member												
3	Dato' Kong Sooi Lin	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 Masters 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 FY2020 and the Board was satisfied with the performance of the AC. The overall result of the assessment on the performance of the AC is 98% (FY2019: 99%)</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 FY2020 are set out in Practice 2.1 of this report.</p> <p>The details of the activities undertaken by the AC are set out in the AC Report of the Annual Report 2020.</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 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>The Board has established an in-house internal audit function within the Group, namely Group Corporate Governance (“<b>GCG</b>”) which assists the RMC in reviewing, evaluating and monitoring the effectiveness of the Group’s governance, risk management and internal control processes. GCG has unrestricted access to all the Group’s activities, records, policies and personnel at all levels in carrying out their duties and responsibilities.</p> <p>An overview of the Group’s risk management and internal controls is set out in the Statement on Risk Management and Internal Control of the Annual Report 2020.</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 various business and support units. Subsequently, the reports are presented to the RMC.</p> <p>The Board had received assurance from the 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 FY2020. The details of the Group's risk management and internal control system are set out in the Statement on Risk Management and Internal Control of the Annual Report 2020.</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

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 2020, the RMC comprised 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>Designation</th><th>Directorship</th></tr></thead><tbody><tr><td>1</td><td>Mr Cheah Tek Kuang</td><td>Chairman</td><td>Senior Independent Non-Executive Director</td></tr><tr><td>2</td><td>Tan Sri Azlan Bin Mohd Zainol</td><td>Member</td><td>Independent Non-Executive Director</td></tr><tr><td>3</td><td>Dato' Teow Leong Seng</td><td>Member</td><td>Executive Director</td></tr><tr><td>4</td><td>Ms Pauline Wong Wan Voon</td><td>Member</td><td>Independent Non-Executive Director</td></tr></tbody></table>	No.	Name	Designation	Directorship	1	Mr Cheah Tek Kuang	Chairman	Senior Independent Non-Executive Director	2	Tan Sri Azlan Bin Mohd Zainol	Member	Independent Non-Executive Director	3	Dato' Teow Leong Seng	Member	Executive Director	4	Ms Pauline Wong Wan Voon	Member	Independent Non-Executive Director
No.	Name	Designation	Directorship																			
1	Mr Cheah Tek Kuang	Chairman	Senior Independent Non-Executive Director																			
2	Tan Sri Azlan Bin Mohd Zainol	Member	Independent Non-Executive Director																			
3	Dato' Teow Leong Seng	Member	Executive Director																			
4	Ms Pauline Wong Wan Voon	Member	Independent Non-Executive Director																			

## 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 GCG, which is led by the Chief Audit Executive (“CAE”).</p> <p>GCG’s primary role is to provide independent, reasonable and objective assurance to add value and improve the 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 CEO. The Annual Internal Audit Plan for FY2020 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>GCG had in June 2020 evaluated the performance of Messrs BDO LLP and Messrs PricewaterhouseCoopers LLP who are undertaking the internal audit reviews of EcoWorld-Ballymore and EcoWorld London respectively, of which GCG will subsequently report the outcome of their evaluation to the AC. The AC noted that the overall performance of both the Internal Auditors has met the Company’s expectations.</p> <p>The AC had in December 2020 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>During FY2020, the personnel of GCG have attended various internal and external training programmes, aimed at maintaining and enhancing their competency levels.</p> <p>A summary of the activities undertaken by GCG for FY2020 is set out in the AC Report of the Annual Report 2020.</p>

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

## Intended Outcome

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

## Practice 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 (“<b>Santosh</b>”), who holds a Master in Business Administration (Australia) and is a Chartered member of the Institute of Internal Auditors Malaysia (IIAM) and member of the Malaysian Institute of Certified Public Accountants (MICPA) and Malaysian Institute of Accountants (MIA). Santosh has 19 years of internal audit experience.</p> <p>The CAE oversees 2 Internal Audit staff in the department and works closely with Messrs BDO LLP and Messrs PricewaterhouseCoopers LLP who are the Internal Auditors for EcoWorld-Ballymore and EcoWorld London respectively in view of their familiarity with the UK regulations and environment.</p> <p>All staff of GCG including the CAE are free from any relationships 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 2020.</p> <p>GCG 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 in December 2020 and was satisfied with its performance for FY2020.</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

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, 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>Due to the Conditional Movement Control Order (CMCO) imposed by the Government of Malaysia to curb the spread of COVID-19, a fully virtual 6<sup>th</sup> AGM of the Company was conducted on 19 May 2020 in accordance with the Constitution of the Company which allows for general meetings to be held using any technology or electronic means. With the leverage of digital tools, the meetings were conducted with high engagement levels between the Board and shareholders as the shareholders were allowed to post questions online before and during the AGM and the Board had addressed the questions posted during the live streaming of the 6<sup>th</sup> AGM.</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 profiles of members of the Board and Key Senior Management, CG Overview Statement, President's Management</p>

Discussion and Analysis of the Group's financial performance, Sustainability Statement and Audited Financial Statements of the Group.

### **Corporate Website**

The Company's corporate website, <https://ecoworldinternational.com> is accessible to the public and 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.

To facilitate the stakeholders' understanding of the Group in respect of governance policies, the Company has uploaded various documents on the Company's corporate website, such as Board Charter with the TOR of the respective Board Committees, ABC Policy, Whistleblowing Policy, Code of Conduct, Constitution as well as the remuneration policies of Directors and Key Senior Management personnel.

### **Press Releases**

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.

### **Investor Relations**

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.

During the year under review, the CEO, CFO and our Investor Relations personnel met with various institutional investors at the following events:

<b>Date</b>	<b>Activities</b>
12 December 2019	FY2019 Results Briefing
26-27 March 2020	Conference calls with Analysts and Fund Managers for 1Q FY2020 Results
19 May 2020	6 <sup>th</sup> AGM
25 June 2020	Conference calls with Analysts and Fund Managers for 2Q FY2020 Results
24 September 2020	Conference calls with Analysts and Fund Managers for 3Q FY2020 Results

	<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>	
<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

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 Company has embarked on the preliminary integrated reporting for the Sustainability Report 2020 which is part of the Annual Report 2020 by adopting the 6 types of capitals under the Integrated Reporting Framework. The Board recognises that integrated reporting is a journey which requires cross functional effort and is taking steps and planning to enhance the disclosures towards adopting the international integrated reporting framework 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>	:	The Management will move towards a more holistic integrated approach from its existing reporting practices and adopt the required international standards over time.	
<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 6<sup>th</sup> AGM together with the Annual Report 2019 were sent to the shareholders on 25 February 2020, which is 28 clear days before the date of the AGM originally to be held on 25 March 2020, ahead of the 21 days requirement under the Companies Act 2016 and MMLR of Bursa Securities. The notice was also published in a nationally circulated newspaper as required under MMLR of Bursa Securities.</p> <p>With the announcement of the Movement Control Order (“MCO”) effective 18 March 2020 made by the Government of Malaysia, the Company has made the following announcements to keep the shareholders updated on the details of the 6<sup>th</sup> AGM:</p> <table border="1"><thead><tr><th>Date of Announcements</th><th>Matters</th></tr></thead><tbody><tr><td>17 March 2020</td><td>Postponement of the 6<sup>th</sup> AGM to a later date</td></tr><tr><td>20 April 2020</td><td>Postponement of the 6<sup>th</sup> AGM to 19 May 2020, whilst agenda and venue remain unchanged</td></tr><tr><td>12 May 2020</td><td>To conduct a Fully Virtual 6<sup>th</sup> AGM</td></tr></tbody></table> <p>Administrative Guide was also issued on 20 April 2020 to furnish an information with regards to the conduct of the 6<sup>th</sup> AGM to the shareholders and the same was also available on the Company’s corporate website.</p> <p>The additional time given to the shareholders allows them to make the necessary arrangements to attend and participate in the 6<sup>th</sup> AGM remotely by using the remote participation and voting (“RPV”) facilities in person or through corporate representatives or proxies.</p>	Date of Announcements	Matters	17 March 2020	Postponement of the 6 <sup>th</sup> AGM to a later date	20 April 2020	Postponement of the 6 <sup>th</sup> AGM to 19 May 2020, whilst agenda and venue remain unchanged	12 May 2020	To conduct a Fully Virtual 6 <sup>th</sup> AGM
Date of Announcements	Matters									
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12 May 2020	To conduct a Fully Virtual 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>	:		
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### 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>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 6<sup>th</sup> AGM was held through live streaming and online remote voting using RPV facilities. All the Directors attended the 6<sup>th</sup> AGM.</p> <p>With the Guidance Note issued by the Securities Commission Malaysia on 14 May 2020 which allowed a maximum of 20 individuals to be physically present at the broadcast venue, only the Chairman, Executive Chairman and the CEO were physically present at the broadcast venue, whilst the rest of the Directors attended the 6<sup>th</sup> AGM remotely.</p> <p>At the 6<sup>th</sup> AGM, the CEO gave a presentation on the financial performance of the Group, market fundamentals as well as progress updates on the UK and Australia projects through live streaming.</p> <p>During the 6<sup>th</sup> AGM, the Chairman of the Board encouraged shareholders to actively participate by submitting their questions in real time via the Query Box. All questions raised by shareholders and proxies via the Query Box were attended to accordingly.</p> <p>The Summary of key matters discussed during the 6<sup>th</sup> AGM was published 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

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>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>With the outbreak of COVID-19 and as part of the safety measures to curb its spread, the 6<sup>th</sup> AGM of the Company was conducted fully virtual through live streaming and online remote voting by using RPV facilities, which is in compliance with Section 327 of the Companies Act 2016 and Clause 78 of the Constitution of the Company.</p> <p>Tricor Investor &amp; Issuing House Services Sdn Bhd (“<b>Tricor</b>”) was appointed as the Share Registrar as well as the Poll Administrator for the 6<sup>th</sup> AGM to conduct the RPV process and GovernAce Advisory &amp; Solutions Sdn Bhd was appointed as the Independent Scrutineer to administer the whole voting process and validate the poll results.</p> <p>Having regard to the well-being and the safety of the shareholders, the Company had on 20 April 2020 issued an Administrative Guide which sets out all the details of the RPV facilities to the shareholders. The same was also uploaded to the Company’s corporate website.</p> <p>With the RPV facilities, shareholders are able to exercise their right as members of the Company to participate (including posing questions to the Board and/or Management of the Company before or during the AGM) and vote by registering themselves via TIIH Online before the closing date set out in the Administrative Guide. If a member is unable to attend the 6<sup>th</sup> AGM, he/she may appoint a proxy or the Chairman of the meeting as his/her proxy to attend the AGM via RPV facilities.</p> <p>On the day of the 6<sup>th</sup> AGM, the registered users were required to log in to TIIH Online to participate, vote and submit questions at the 6<sup>th</sup> AGM. Tricor e-voting tutorial video was also played at the AGM prior to the commencement of the e-voting session and the details of the Helpdesk were also included in the tutorial video for the users who require any assistance.</p> <p>Upon verification of the poll results, the Independent Scrutineer announced the results for each resolution at the 6<sup>th</sup> AGM. The 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>

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

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

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

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