

CORPORATE GOVERNANCE REPORT

STOCK CODE : 8206
COMPANY NAME : Eco World Development Group Berhad
FINANCIAL YEAR : October 31, 2021

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 CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

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

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The board of Directors ("the Board") is collectively responsible for the proper stewardship of the Group's business and ensuring the long term success of the Group as well as the delivery of sustainable value to its stakeholders by setting goals, policies and targets within a framework of prudent and effective controls which enables risk to be assessed and managed.</p> <p>The Board is guided by its Board Charter ("Board Charter") which outlines the duties and responsibilities of the Board, and matters specifically reserved for the Board as well as to be delegated to Board Committees, the President/Chief Executive Officer ("CEO") and Management.</p> <p>The Board is assisted by 4 Board Committees, namely, Audit Committee ("the AC"), Nomination Committee ("the NC"), Remuneration Committee ("the RC") and Whistleblowing Committee ("the WC") (collectively referred to as "the Board Committees").</p> <p>The Board assumes, amongst others, the following principal roles and responsibilities in discharging its leadership function and fiduciary duties:</p> <p>(a) <u>Reviewing and adopting a strategic plan developed by Management</u></p> <p>The Board plays an active role in the formulation and development of the Group's strategy and monitoring its performance and implementation.</p> <p>Before the end of each financial year, the Board meets with Management to discuss the economic and property outlook as well as the Group's annual business plan and strategy for the ensuing financial year. The annual business plan sets out the</p>

Group's objectives which include performance targets and long-term goals of the business.

At a Board meeting held on 21 October 2021, Management presented the Group's proposed business plan for financial year ("FY") 2022. The Board was briefed on the overall economic outlook, mainly on the property sector and its potential impact on Malaysia and on the Group as well as its Business Plan & Strategy for FY2022 together with the Group's budgeted financials, liquidity, cash flows, capital expenditure and manpower requirements.

At this meeting, the Board discussed at length Management's views and assumptions underlying the business plan and finalised the goals and strategies to be adopted and ensured that the necessary resources would be in place for the Group to meet its objectives. After deliberations, the Board approved the proposed Group Business Plan & Strategy for FY2022.

(b) Monitoring the conduct of business

At its quarterly meetings, the Board monitors the conduct of the Group's business by reviewing a presentation by Management. The presentation usually includes the quarterly financial results, liquidity and other financial highlights, project and operations progress reports, market overview and sales outlook, land acquisition proposals, corporate proposals, related party transactions, sustainability reporting etc, so as to enable the Board to assess if targeted objectives are being met.

The Board constantly provides guidance and constructive feedback to Management towards the achievement of the Group's objectives.

Since the onset of the Covid-19 outbreak, the Board has been monitoring the impact of the on-going pandemic, in particular, the Movement Control Orders ("MCOs"), on the Group's business, discussing with Management the disruption to sales activities, construction at sites and supply chain, obligations to comply with pandemic-related operating procedures at the work place, and their impact on cash flows, financial results and business continuity.

During FY2021, the Board concurred with and supported Management's decision to enhance the Group's digital platform so as to improve engagement with prospective customers during the MCOs and to expedite sales conversion. Most of the routine sales administration tasks and finance functions have also been digitised.

The Board also supported Management’s decision to continue with the Group-wide cost optimisation measures first taken in FY2020 as well as the decision to enhance Covid-19 standard operating procedures.

(c) Reviewing the adequacy and integrity of the management information and internal control systems and identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures

The Board acknowledges its overall responsibility for the Group’s internal control and risk management systems to safeguard shareholders’ investment and the Group’s assets.

Details of the Company’s internal control and risk management systems are set out in the Statement on Risk Management and Internal Control from page 63 through page 70 of the Annual Report 2021.

(d) Reviewing and adopting a strategic plan which supports long-term value creation and business sustainability

The Board is aware of the importance of business sustainability and ensures that sustainability is embedded in the development of the Group’s strategies, taking into account the economic environmental, social and governance (“ESG”) aspects of business operations. These strategies seek to balance the needs and expectations of the various stakeholders such as customers, shareholders, regulators, bankers, joint venture partners and the communities in which the Group operates.

The Sustainability Committee (established in FY2017) oversees the implementation of business sustainability practices within the Group.

During FY2021, the Group continued to launch affordable homes targeted at the housing needs of the M40 group.

On 24 May 2021, the Board approved the EcoWorld Corporate Vaccination Program covering all employees, their immediate family members, and the Group’s business associates in order to safeguard their safety and health amid the Covid-19 pandemic.

To show its commitment towards ESG initiatives, the Company participated in the United Nations Global Compact (UNGC) Malaysia in April 2021. The Company continues to engage closely with UNGC with the aim of achieving the United Nations Sustainable Development Goals (UNSDGs) and increasing visibility in the ESG sphere.

	<p>The Group's efforts on sustainability and commitment to excellence was rewarded with several accolades in FY2021:</p> <ul style="list-style-type: none"> • In December 2020, the Company was included in the FTSE4Good Bursa Malaysia (F4GBM) Index by Bursa Malaysia in recognition of the Group's ESG practices. • In April 2021, the Company was conferred the EdgeProp Malaysia's Responsible Developer: Building Sustainable Development Award 2021. • In December 2021, the Company won the SDG Ambition Benchmark 2: Net-Positive Water Impacts in Water-Stressed Basins Award at the UNGC Malaysia & Brunei's (UNGCMYB) inaugural Sustainability Performance Awards 2021 in recognition of the Group's water conservation efforts. <p>(e) <u>Succession planning</u></p> <p>The NC is entrusted by the Board with responsibilities to oversee the selection and assessment of Directors and Board Committees as well as succession planning for Directors and Senior Management personnel.</p> <p>On 25 March 2021, the Board approved the expanded Performance Incentive Scheme for eligible employees which was aimed at long-term sustainability and rewarding, motivating and retaining employees.</p> <p>A summary of the work carried out by the NC in FY2021 is set out in the NC Report on pages 58 and 59 of the Annual Report 2021.</p> <p>(f) <u>Ensuring effective communication with stakeholders</u></p> <p>The Board maintains transparent and regular communication with stakeholders to facilitate understanding of each other's objectives and expectations.</p> <p>The Group adopts a policy of comprehensive, timely and continuing disclosure of information to stakeholders via effective communication channels. 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.</p> <p>An Investor Relations section is available on the Company's website at www.ecoworld.my to provide relevant information on the Group, such as annual reports, corporate presentations and quarterly financial results for easy accessibility by the public. The Board also views general meetings as ideal opportunities for the</p>
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	<p>CEO to brief shareholders on the Group's projects and developments.</p> <p>To encourage shareholders' participation in general meeting amid the Covid-19 outbreak, the Company live streamed its 47th Annual General Meeting ("AGM") where online remote voting was enabled.</p> <p>The Company will continue to explore leveraging technology to broaden its channel of dissemination of information and enhance the quality of engagement with the shareholders.</p>	
<p>Explanation for departure</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>Measure</p>		
<p>Timeframe</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.

Application	:	Applied
Explanation on application of the practice	:	<p>As Chairman of the Board, Tan Sri Dato' Sri Liew Kee Sin ("Tan Sri Liew") assumes a leadership role on the Board.</p> <p>Tan Sri Liew was appointed Non-Independent Non-Executive Chairman of the Board on 20 March 2015 and was re-designated Executive Chairman on 1 April 2020.</p> <p>As can be seen from his profile set out on page 38 of the Annual Report 2021, Tan Sri Liew has had a successful career as a respected property developer for over 35 years. His years of experience has enabled him to provide valuable guidance to the other members of the Board as well as Management.</p> <p>Tan Sri Liew is a strong believer of good corporate governance. He works hand-in-hand with our founder, Tan Sri Abdul Rashid Bin Abdul Manaf, to set the tone from the top and guides Management in establishing and monitoring good corporate governance practices within the Group.</p> <p>As Chairman, he sets the board agenda and ensures that Board members receive complete and accurate information in a timely manner to enable robust and informed discussions to take place during Board meetings. Given his vast experience in the property sector, he is able to provide effective leadership for the Board to work constructively with Management to formulate strategies as well as address business operations, financial performance and risk management issues. He also sets the direction for the Group to provide effective, transparent and regular communication with stakeholders and ensures that their views are communicated to the Board as a whole.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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.

Application	:	Applied	
Explanation on application of the practice	:	To ensure balance of authority and power, the role of Chairman and CEO are held by 2 different individuals. The position of Chairman of the Board is held by Tan Sri Liew. The position of CEO is held by Dato' Chang Khim Wah (" Dato' Chang "). Dato' Chang was appointed CEO on 12 December 2013.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by 2 Company Secretaries, namely Ms. Chua Siew Chuan and Ms. Tan Ley Theng.</p> <p>Both the Company Secretaries are qualified Chartered Secretaries under Section 235(2) of the Companies Act 2016. Ms. Chua is a Fellow while Ms. Tan is an Associate member of the Malaysian Institute of Chartered Secretaries and Administrators.</p> <p>Both the Company Secretaries have more than 20 years of experience in corporate secretarial practice, with working knowledge across a diverse range of industries and government services. They currently also act as Company Secretaries of several other companies listed on Bursa Malaysia Securities Berhad ("Bursa Malaysia Securities").</p> <p>During FY2021, the NC reviewed the competency and performance of the Company Secretaries based on assessments by each Director on a confidential basis. The evaluation results were presented to the Board on 10 February 2022.</p> <p>By virtue of their experience, the Company Secretaries have been able to competently provide sound advice to the Board on matters relating to the powers, roles and responsibilities of Directors, compliance with corporate law, securities laws, listing requirements and the Malaysian Code on Corporate Governance ("MCCG").</p> <p>During the Board meeting held on 24 June 2021, Ms. Tan presented to the Board a gap analysis on the revised MCCG 2021 and the steps required to be taken by the Board to meet the guidance set out in the revised MCCG 2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>An annual calendar of Board meetings, Board Committees meetings and the AGM is circulated in advance of each new year in order to facilitate planning by the Directors.</p> <p>Notices of meetings are circulated at least 7 clear days prior to the date of Board and Board Committees meetings except for special meetings convened to discuss urgent matters.</p> <p>Board papers are required to be circulated at least 5 clear days prior to the date of Board meetings, except for those comprising financial statements which are required to be circulated at least 4 clear days prior to the date of Board meetings.</p> <p>In line with its green initiative to reduce paper usage, the Group implemented a paperless board portal for Board and Board Committee meetings in June 2020. With this board portal, members of the Board and Board Committees are now able to access the meeting materials digitally and on the go.</p> <p>Draft minutes of Board and AC meetings are required to be circulated within 4 weeks from the meeting dates for comments. Action items identified during Board and AC meetings are highlighted for follow-up action by Management.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied				
Explanation on application of the practice	:	<p>The Board is guided by a Board Charter which clearly defines the respective roles and responsibilities of the Board, Board Committees, individual Directors and Management as well as matters reserved for the Board.</p> <p>Directors are expected to commit sufficient time to discharge their duties and responsibilities. In order to keep Directors updated on latest developments, knowledge and skills to effectively discharge their duties, each Director is required to undergo the mandatory accreditation programme under the auspices of Bursa Malaysia Securities and other relevant training courses or seminars on a regular basis.</p> <p>The training programmes and seminars attended by the Directors (save for Madam Sar Sau Yee (“Madam Sar”) who was appointed to the Board on 1 October 2021) during FY2021 are set out below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Director</th> <th style="width: 50%;">Programme</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">Tan Sri Abdul Rashid Bin Abdul Manaf</td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> • Delivering Business Resilience in Transformative Times – Setting an Efficient Growth Framework by MICG • Rethinking Corporate Risk to Manage Market Uncertainty – Ethics, Regulatory Compliance and Control Environment by MICG • Sustainable Finance: Making better financial decisions • Corporate Governance Revisited – The Co-existence of Ethics of Law sets you FREE • Value Creation Strategies – An Innovative Take on Creating Impactful, Healthy Companies </td> </tr> </tbody> </table>	Director	Programme	Tan Sri Abdul Rashid Bin Abdul Manaf	<ul style="list-style-type: none"> • Delivering Business Resilience in Transformative Times – Setting an Efficient Growth Framework by MICG • Rethinking Corporate Risk to Manage Market Uncertainty – Ethics, Regulatory Compliance and Control Environment by MICG • Sustainable Finance: Making better financial decisions • Corporate Governance Revisited – The Co-existence of Ethics of Law sets you FREE • Value Creation Strategies – An Innovative Take on Creating Impactful, Healthy Companies
Director	Programme					
Tan Sri Abdul Rashid Bin Abdul Manaf	<ul style="list-style-type: none"> • Delivering Business Resilience in Transformative Times – Setting an Efficient Growth Framework by MICG • Rethinking Corporate Risk to Manage Market Uncertainty – Ethics, Regulatory Compliance and Control Environment by MICG • Sustainable Finance: Making better financial decisions • Corporate Governance Revisited – The Co-existence of Ethics of Law sets you FREE • Value Creation Strategies – An Innovative Take on Creating Impactful, Healthy Companies 					

		<ul style="list-style-type: none"> • Integrated Reporting virtual briefing for Board of Directors & Senior Management by MIA
	Tan Sri Dato' Sri Liew Kee Sin	<ul style="list-style-type: none"> • Property market in the United Kingdom & Australia • Legal Updates on the Real Estate Industry in United Kingdom & Australia • EcoWorld World Environment Day 2021: Building for Generations • Updates on the Malaysian Code on Corporate Governance 2021 • Invest Malaysia 2021: The Capital Market Conversation - Rebuilding a Sustainable Economy (Series 1: Economic Reform)
	Dato' Leong Kok Wah	<ul style="list-style-type: none"> • EcoWorld World Environment Day 2021: Building for Generations • Introduction to Integrated Reporting • Enterprise Risk Management - Actualising Its Effectiveness
	Dato' Chang Khim Wah	<ul style="list-style-type: none"> • Property market in the United Kingdom & Australia • Legal Updates on the Real Estate Industry in United Kingdom and Australia • EcoWorld Women's Summit 2021 • EcoWorld World Environment Day 2021: Building for Generations* • Updates on the Malaysian Code on Corporate Governance 2021 • Enterprise Risk Management - Actualising its Effectiveness • Invest Malaysia 2021: The Capital Market Conversation - Rebuilding a Sustainable Economy (Series 1: Economic Reform)
	Liew Tian Xiong	<ul style="list-style-type: none"> • EcoWorld World Environment Day 2021: Building for Generations* • CEO Roundtable Handbook - Leaders for Climate Action: Enabling a Net Zero Carbon Economy Pathway • Enterprise Risk Management - Actualising Its Effectiveness • Invest Malaysia 2021: The Capital Market Conversation - Rebuilding a Sustainable Economy (Series 1: Economic Reform)
	Datuk Heah Kok Boon	<ul style="list-style-type: none"> • Fraud Risk Management Workshop for Directors of Listed Companies • Managing Expectations in Times of Change • MASB Engagement Session on IFRS Foundation's Consultation Paper - Sustainability Reporting

		<ul style="list-style-type: none"> • Legal Updates on the Real Estate Industry in United Kingdom and Australia • Sustainable Finance: Making better financial decisions • EcoWorld Women's Summit 2021 • Real Estate, Becoming Digital & Sustainable • Integrated Reporting: The ASEAN Experience by MIA • Board and Audit Committee Priorities 2021 • Implementing Amendments in the Malaysian Code on Corporate Governance • EcoWorld World Environment Day 2021: Building for Generations • Capital Market Conference 2021 - Evolution of Capital Market • Sustainability as a business strategy for Financial Institutions • JC3 outcome and implications for Financial Institutions • Sustainable Finance for the Private Sector • Standard Chartered: The Force Awakens – Rise of Global REITs • FTSE4Good Bursa Malaysia Index • Valuation of Early and Growth Stage Tech Companies • The Trend: The Dragon Awakens • Standard Chartered: Global Market Outlook H2 2021 • Governance in Audit Forum - Audit's Evolving Role in the New Normal • ESG Reporting Health Check • Financial & Investment Literacy Programme • Business Transformation Post Covid • Essentials on Corporate Reporting and Assurance • Enterprise Risk Management - Actualising Its Effectiveness • The National Recovery Summit • Invest Malaysia 2021: The Capital Market Conversation - Rebuilding a Sustainable Economy (Series 1: Economic Reform)
	Tang Kin Kheong	<ul style="list-style-type: none"> • Legal Updates on the Real Estate Industry in United Kingdom and Australia • Board and Audit Committee Priorities 2021 • EcoWorld World Environment Day 2021: Building for Generations • Capital Market Conference 2021 - Evolution of Capital Market

		<ul style="list-style-type: none"> • Enterprise Risk Management - Actualising Its Effectiveness
	Dato' Idrose Bin Mohamed	<ul style="list-style-type: none"> • Managing Human Rights - Why is it important to corporations? • Exclusive dialogue with the CEO of Inland Revenue Board of Malaysia - SVDP Tax Audit & Investigations: What you need to know • Sustainable Finance: Making better financial decisions • Board and Audit Committee Priorities 2021 • Implementing Amendments in the Malaysian Code on Corporate Governance • EcoWorld World Environment Day 2021: Building for Generations • Enterprise Risk Management - Actualising Its Effectiveness • Invest Malaysia 2021: The Capital Market Conversation - Rebuilding a Sustainable Economy (Series 1: Economic Reform)
	Dato' Haji Obet Bin Tawil	<ul style="list-style-type: none"> • Managing Human Rights - Why is it important to corporations? • Legal Updates on the Real Estate Industry in United Kingdom and Australia • EcoWorld World Environment Day 2021: Building for Generations • Enterprise Risk Management - Actualising its Effectiveness
	Dato' Noor Farida Binti Mohd Ariffin	<ul style="list-style-type: none"> • Sustainable Finance: Making better financial decisions • Board and Audit Committee Priorities 2021 • Enterprise Risk Management - Actualising Its Effectiveness
	Low Mei Ling	<ul style="list-style-type: none"> • Managing Human Rights - Why is it important to corporations? • Private Sector Engagements with Key Stakeholders "CAN Malaysia Achieve Net Zero Emissions by 2050?" • Board and Audit Committee Priorities 2021 • Implementing Amendments in the Malaysian Code on Corporate Governance • EcoWorld World Environment Day 2021: Building for Generations • The JC3 Flagship Conference 2021 - Finance for Change • Value Creation Strategies – An Innovative Take on Creating Impactful, Healthy Companies

	<p>Lim Hiah Eng (Mrs Lucy Chong)</p>	<ul style="list-style-type: none"> • Enterprise Risk Management - Actualising Its Effectiveness • Managing Human Rights - Why is it important to corporations? • Legal Updates on the Real Estate Industry in United Kingdom and Australia • Sustainable Finance: Making better financial decisions • Board and Audit Committee Priorities 2021 • Implementing Amendments in the Malaysian Code on Corporate Governance • EcoWorld World Environment Day 2021: Building for Generations • Capital Market Conference 2021 - Evolution of Capital Market • Securities Commission Guidelines on the Conduct of Directors of Listed Corporations and their Subsidiaries • Corporate Governance Revisited – The Co-existence of Ethics of Law sets you FREE • Value Creation Strategies – An Innovative Take on Creating Impactful, Healthy Companies • Enterprise Risk Management - Actualising its Effectiveness • Invest Malaysia 2021: The Capital Market Conversation - Rebuilding a Sustainable Economy (Series 1: Economic Reform)
<p>Explanation for departure</p>	<p>:</p>	<p>*As speaker</p> <p>The Board Charter is subject to review as and when required and is amended in accordance with the requirements of the Group and in alignment with the best practices recommended in the MCCG, provisions in the Main Market Listing Requirements of Bursa Malaysia Securities (“MMLR”) as well as any new regulations that may have an impact on the Board’s responsibilities.</p> <p>The Board Charter was last amended in February 2020 to incorporate the elements of the Anti-Bribery and Anti-Corruption Policy (“ABC Policy”).</p> <p>The Board Charter is available on the Company’s website at www.ecoworld.my.</p>

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

Measure :		
Timeframe :		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board together with Senior Management oversees the Group's adherence to high standards of ethics and corporate behaviour. To this end, the Board has established policies to guide Directors and employees that engenders integrity, transparency and fairness.</p> <p>The Directors' Code of Conduct and Ethics ("the Code for Directors") and the Code of Conduct and Business Ethics for Employees ("the Code for Employees") have been in place since 2014. The Code for Directors and the Code for Employees were last updated and amended in FY2020 to incorporate the elements of the ABC Policy.</p> <p>The Code for Directors, which is annexed to the Board Charter, and the Code for Employees ("The Codes") are available on the Company's website at www.ecoworld.my.</p> <p>A copy of the ABC Policy which was approved by the Board in 2019 is also available on the Company's website.</p> <p>Any queries regarding the Company's anti-bribery and anti-corruption compliance matters can be addressed to the Company's Integrity Team at integrityteam@ecoworld.my.</p> <p>Both the Codes and the ABC Policy are reviewed periodically as and when required to ensure that the standards of corporate behaviour are updated and continue to be relevant.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board delegates to the WC the responsibility of protecting the interest of the Group and its stakeholders. The WC reviews and investigates all complaints received about alleged misconduct, and takes the necessary actions and reports to the Board. The WC is guided by written procedures for dealing with complaints lodged by whistleblowers.</p> <p>The Whistleblowing Policy was last revised in FY2020 as recommended by the WC to reflect the changes required to align it with the ABC Policy as well as to changes in the composition of the WC.</p> <p>The Whistleblowing Policy and the TOR of the WC are available on the Company's website at www.ecoworld.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

Application	:	Applied																
Explanation on application of the practice	:	<p>Following the appointment of Madam Sar as Independent Director on 1 October 2021, the number of Independent Directors increased from 6 previously to 7, out of a Board size of 13.</p> <p>The Board currently comprises 13 directors with a majority of Independent Directors, as follows:-</p> <table border="1"> <thead> <tr> <th>Designation</th> <th>Number</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Executive Directors</td> <td>4</td> <td>31%</td> </tr> <tr> <td>Independent Non-Executive Directors</td> <td>7</td> <td>54%</td> </tr> <tr> <td>Non-Independent Non-Executive Directors</td> <td>2</td> <td>15%</td> </tr> <tr> <td>Total</td> <td>13</td> <td>100%</td> </tr> </tbody> </table> <p>Dato' Idrose Bin Mohamed ("Dato' Idrose") would be retiring at the 48th AGM of the Company under Article 126 of the Company's Constitution. He has indicated to the Board that he would not be seeking re-election.</p> <p>Following Dato' Idrose's retirement at the 48th AGM, the number of Independent Directors will be reduced to 6, or half of the total number of Directors on the Board.</p> <p>After Dato' Idrose's retirement, the Board will endeavour to comply with Practice 4.1.</p>		Designation	Number	Percentage	Executive Directors	4	31%	Independent Non-Executive Directors	7	54%	Non-Independent Non-Executive Directors	2	15%	Total	13	100%
Designation	Number	Percentage																
Executive Directors	4	31%																
Independent Non-Executive Directors	7	54%																
Non-Independent Non-Executive Directors	2	15%																
Total	13	100%																
Explanation for departure	:																	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>																		
Measure	:																	
Timeframe	:																	

Intended Outcome

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

Practice 4.2

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

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

Application	:	Not applicable - No independent director(s) serving beyond 9 years	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 4.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board adopted a Board Diversity Policy in FY2017 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 and age as well as the requisite independence, as required, for the effective functioning of the Board. The diversity collectively represented on the Board should reflect the diverse nature of the business environment in which the Group operates. The Board Diversity Policy is available on the Company's website at www.ecoworld.my.</p> <p>The Board has delegated to the NC the responsibility for assessing candidates for appointment to the Board and making recommendations to the Board on the appropriate Board size and composition with the ultimate decision being made by the Board as a whole.</p> <p>In assessing candidates for Senior Management positions, the Board and the NC take into account the challenges and opportunities facing the Group, the leadership needs of the Group and the candidate's technical capabilities, experience and professional qualifications and potential for appointment to the Board in future. The Group ensures women candidates are sought and considered in the recruitment exercise. Presently women make up 49% of the Senior Management team.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of gender diversity in allowing different perspectives to be included in decision-making. The Group's Board Diversity Policy takes into account the gender element.</p> <p>Following the appointment of Madam Sar on 1 October 2021 as Independent Director, the Board now comprises 13 Directors, of which 4, or 31% of the Board are women. The percentage of women Directors on the Board increases to 33% after Dato' Idrose's retirement at the 48th AGM of the Company.</p> <p>The Group is also committed to promote gender diversity in the work place. Currently, 49% of the Senior Management team comprises women.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.6

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

Application	:	Applied	
Explanation on application of the practice	:	The NC utilises multiple channels such as Directors, Senior Management major shareholders, independent consultants as well as external organisations such as the Institute of Corporate Directors Malaysia (ICDM) to source and identify suitably qualified candidates.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.7

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

Application	:	Applied	
Explanation on application of the practice	:	The NC is chaired by Dato' Idrose who is an Independent Director.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NC carries out an annual assessment and evaluation of the Board, Board Committees, Independent Directors and individual Directors.</p> <p>The assessment and evaluation are carried out by way of self- and peer-evaluation through the completion of questionnaires on a confidential basis. The questionnaires, drafted by the NC with the assistance of the Company Secretaries, are updated annually to continuously engage the Directors' perspectives on fresh and relevant areas and to ensure that they continue to be pertinent to the requirements of the Board and the Group.</p> <p>The following 5 evaluation forms are used:-</p> <ul style="list-style-type: none">(i) Independent Director's Self-Assessment Checklist;(ii) Director's Self Performance Evaluation;(iii) Board and Board Committees Performance Evaluation;(iv) Audit Committee Performance Evaluation; and(v) Audit Committee Member's Self-Performance Evaluation. <p>The Board and Board Committees are assessed as a whole, while Directors are assessed individually. A scoring mechanism is used to provide respondents with context.</p> <p>The criteria for Director's self-performance covers areas such as contributions to matters discussed, roles and responsibilities and overall quality of input to Board effectiveness.</p> <p>During the NC meeting held on 17 November 2021, the NC introduced preliminary ESG elements in the performance evaluation for individual Directors.</p> <p>For Board and Board Committee assessments, the criteria cover structure and composition, operations, roles and responsibilities as well as Board governance.</p>

	<p>Independent Directors are assessed based on their relationship with the Group and whether they have been involved in any significant transactions with the Group. In assessing their independence, the Board considers the individual Independent Directors' ability to exercise independent judgement at all times and based on the criteria set out in the MMLR.</p> <p>The evaluation results for FY2021 were presented to the Board on 10 February 2022.</p> <p>During the aforesaid Board meeting, the Board reviewed the evaluation results and concluded that:</p> <ul style="list-style-type: none"> • The Board was satisfied with the level of independence demonstrated by the Independent Directors and their ability to provide unbiased, impartial and objective opinions during meetings and to act in the best interest of the Group. • All Directors were of the view that each of them had performed their respective roles and functions effectively and responsibly. • The Directors were satisfied with the performance of the Board as a whole. • Each Director was satisfied with each other's contribution in terms of sharing their insights and actively participating in Board and Board Committees discussions. • All the Board Committees have discharged their roles and responsibilities as per their TOR. • The Board was generally satisfied with its current size, composition as well as the mix of skill sets. <p>The Board has decided to defer the engagement of independent experts to perform the Board evaluations to FY2022 to allow the Group to focus on its operations amid the Covid-19 pandemic and after considering the cost associated with such an engagement.</p>
<p>Explanation for departure :</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>Measure :</p>	
<p>Timeframe :</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 takes into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has in place a Directors' Remuneration Policy and a C-Suite Remuneration Policy for Senior Management personnel who are in the C-Suite category.</p> <p>The objective of these remuneration policies is to set the appropriate levels of remuneration that allow the Group to attract and retain talented and well-qualified people in line with the Group's long-term business strategies. Both the remuneration policies are periodically reviewed by the RC to ensure their effectiveness and continued relevance.</p> <p>The Group implemented a cost rationalisation exercise in FY2020 amid the Covid-19 pandemic. In solidarity with all employees, the Non-Executive Directors agreed to reduce their Directors' fees by 20%, effective 1 May 2020.</p> <p>The Directors' Remuneration Policy and the C-Suite Remuneration Policy are available on the Company's website at www.ecoworld.my.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 6.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has a RC to assist on matters relating to the remuneration of Directors and Senior Management personnel in the C-Suite category. The RC is charged with the duties for developing, establishing and implementing competitive remuneration policies and packages for Directors and C-Suite Management personnel.</p> <p>The RC engaged an external consultant to conduct a benchmarking study on the level of Non-Executive Directors' remuneration in FY2019. From the results of the study, the RC formulated and approved a revised remuneration structure for Non-Executive Directors which reflects their level of responsibilities, experience required and time demanded to discharge their duties and responsibilities.</p> <p>The composition and summary of work carried out by the RC to discharge its duties for FY2021 are set out in the RC report on page 60 of the Annual Report 2021.</p> <p>The RC has written TOR to set out the authority, roles and responsibilities of the RC, which is available on the Company's website at www.ecoworld.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.1

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

Application :	Applied																																																																																																						
Explanation on application of the practice :	<p>The details of the Directors' remuneration received in FY2021 are set out as below:</p> <table border="1"> <thead> <tr> <th>NAME</th> <th>SALARY AND BONUS (RM)</th> <th>DIRECTORS' FEES (RM)</th> <th>ALLOWANCES (RM)</th> <th>BENEFITS IN KIND (RM)</th> <th>TOTAL (RM)</th> </tr> </thead> <tbody> <tr> <td colspan="6">Executive Directors¹</td> </tr> <tr> <td>Tan Sri Dato' Sri Liew Kee Sin</td> <td>2,517,233</td> <td>-</td> <td>27,960</td> <td>1,948,463</td> <td>4,493,656</td> </tr> <tr> <td>Dato' Chang Khim Wah</td> <td>2,460,255</td> <td>-</td> <td>27,960</td> <td>46,184</td> <td>2,534,399</td> </tr> <tr> <td>Datuk Heah Kok Boon</td> <td>1,055,142</td> <td>-</td> <td>16,476</td> <td>7,200</td> <td>1,078,818</td> </tr> <tr> <td>Liew Tian Xiong</td> <td>809,231</td> <td>-</td> <td>15,840</td> <td>-</td> <td>825,071</td> </tr> <tr> <td colspan="6">Non-Executive Directors²</td> </tr> <tr> <td>Tan Sri Abdul Rashid Bin Abdul Manaf</td> <td>-</td> <td>187,200</td> <td>20,000</td> <td>82,842</td> <td>290,042</td> </tr> <tr> <td>Tan Sri Dato' Sri Liew Kee Sin³</td> <td>-</td> <td>113,333</td> <td>-</td> <td>-</td> <td>113,333</td> </tr> <tr> <td>Dato' Leong Kok Wah</td> <td>-</td> <td>144,000</td> <td>20,000</td> <td>124,262</td> <td>288,262</td> </tr> <tr> <td>Tang Kin Kheong</td> <td>-</td> <td>230,400</td> <td>34,000</td> <td>-</td> <td>264,400</td> </tr> <tr> <td>Dato' Idrose Bin Mohamed</td> <td>-</td> <td>230,400</td> <td>34,000</td> <td>-</td> <td>264,400</td> </tr> <tr> <td>Dato' Haji Obet Bin Tawil</td> <td>-</td> <td>158,400</td> <td>22,000</td> <td>-</td> <td>180,400</td> </tr> <tr> <td>Dato' Noor Farida Binti Mohd Ariffin</td> <td>-</td> <td>216,000</td> <td>34,000</td> <td>-</td> <td>250,000</td> </tr> <tr> <td>Low Mei Ling</td> <td>-</td> <td>187,200</td> <td>32,000</td> <td>-</td> <td>219,200</td> </tr> <tr> <td>Mrs Lucy Chong</td> <td>-</td> <td>64,000</td> <td>20,000</td> <td>-</td> <td>84,000</td> </tr> <tr> <td>Sar Sau Yee⁴</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>Notes: ¹ Paid by certain subsidiaries. ² Paid by the Company. ³ Fee received was in relation to services rendered in FY2020 as Non-Independent Non-Executive Chairman. He was re-designated to Executive Chairman on 1 April 2020. ⁴ Appointed on 1 October 2021 (no fees paid in FY2021 as Directors' Fees relate to services rendered in FY2020).</p>	NAME	SALARY AND BONUS (RM)	DIRECTORS' FEES (RM)	ALLOWANCES (RM)	BENEFITS IN KIND (RM)	TOTAL (RM)	Executive Directors ¹						Tan Sri Dato' Sri Liew Kee Sin	2,517,233	-	27,960	1,948,463	4,493,656	Dato' Chang Khim Wah	2,460,255	-	27,960	46,184	2,534,399	Datuk Heah Kok Boon	1,055,142	-	16,476	7,200	1,078,818	Liew Tian Xiong	809,231	-	15,840	-	825,071	Non-Executive Directors ²						Tan Sri Abdul Rashid Bin Abdul Manaf	-	187,200	20,000	82,842	290,042	Tan Sri Dato' Sri Liew Kee Sin ³	-	113,333	-	-	113,333	Dato' Leong Kok Wah	-	144,000	20,000	124,262	288,262	Tang Kin Kheong	-	230,400	34,000	-	264,400	Dato' Idrose Bin Mohamed	-	230,400	34,000	-	264,400	Dato' Haji Obet Bin Tawil	-	158,400	22,000	-	180,400	Dato' Noor Farida Binti Mohd Ariffin	-	216,000	34,000	-	250,000	Low Mei Ling	-	187,200	32,000	-	219,200	Mrs Lucy Chong	-	64,000	20,000	-	84,000	Sar Sau Yee ⁴	-	-	-	-	-
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Measure :																																																																																																							

Timeframe :		
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Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.2

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

Application	:	Departure												
Explanation on application of the practice	:													
Explanation for departure	:	<p>The Board has decided not to disclose the top five Senior Management personnel's remuneration on a named basis due to personal security concerns on the part of the personnel involved. Further such detailed disclosure is not favourable to the Group as talent poaching is common in the property industry.</p> <p>As an alternative, the Group has disclosed the remuneration received by its top five Senior Management personnel in bands of RM50,000 and the number of persons in each band, as follows:</p> <table border="1"> <thead> <tr> <th>Total Remuneration in Bands of RM50,000</th> <th>No. of Key Senior Management personnel</th> </tr> </thead> <tbody> <tr> <td>RM1,350,001 to RM1,400,000</td> <td>1</td> </tr> <tr> <td>RM1,300,001 to RM1,350,000</td> <td>1</td> </tr> <tr> <td>RM1,200,001 to RM1,250,000</td> <td>1</td> </tr> <tr> <td>RM1,150,001 to RM1,200,000</td> <td>1</td> </tr> <tr> <td>RM850,001 to RM900,000</td> <td>1</td> </tr> </tbody> </table> <p>The remuneration of Senior Management personnel is benchmarked against other property development companies to ensure that their remuneration is commensurate with the scope of work, responsibilities, performance against KPIs as well as the Group's performance.</p>	Total Remuneration in Bands of RM50,000	No. of Key Senior Management personnel	RM1,350,001 to RM1,400,000	1	RM1,300,001 to RM1,350,000	1	RM1,200,001 to RM1,250,000	1	RM1,150,001 to RM1,200,000	1	RM850,001 to RM900,000	1
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RM850,001 to RM900,000	1													
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>														
Measure	:	The Board will continue to review the application of this practice from time to time and consider the appropriateness of such disclosure.												
Timeframe	:	Choose an item.												

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the AC is Mr. Tang Kin Kheong, who is not the Chairman of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.2

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

Application	:	Applied
Explanation on application of the practice	:	The AC has a policy that requires any former key audit partner to observe a cooling-off period of at least 2 years before being appointed as a member of the AC. This policy is included in the TOR of the AC which is available on the Company's website at www.ecoworld.my .
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>It is the duty of the AC to annually assess the suitability, objectivity and independence of the external auditors, as set out in its TOR which is available on the Company's website at www.ecoworld.my.</p> <p>The Board has adopted an External Auditors Assessment Policy which sets out the guidelines and procedures to be undertaken by the AC to discharge its responsibility for assessing the suitability, appointment, independence and performance of the external auditors. A copy of the policy is available on the Company's website at www.ecoworld.my.</p> <p>During its meeting held on 17 November 2021, the AC assessed the suitability, effectiveness and independence of its external auditors, namely Messrs Baker Tilly Monteiro Heng PLT ("BTMH").</p> <p>During the aforesaid meeting, the AC deliberated on each criterion set out in the evaluation form which covered areas such as calibre, quality of processes and services, competency and commitment, independence and objectivity, audit scope and planning, fees, communication and interaction and adequacy of experience as well as resources. The AC also referred to the information in BTMH's Annual Transparency Report as part of the assessment.</p> <p>The AC met with representatives from BTMH on 15 December 2021 to finalise its assessment. The AC concluded that it was satisfied with the independence and performance of BTMH and accordingly recommended the re-appointment of BTMH as the external auditors of the Company for the ensuing year.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	All 4 members of the AC are Independent Directors. The composition of the AC is set out in the AC Report on page 54 of the Annual Report 2021.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is satisfied that the AC members possess the necessary skills to discharge its duties and are financially literate and have the ability to understand matters under the purview of the AC including the financial reporting process. The profile of the AC members are set out in the Annual Report 2021.</p> <p>The AC members attend training programmes and seminars to keep themselves abreast of relevant developments in standards and practices in accounting and auditing, listing requirements, corporate law, risk management and changes in the business environment.</p> <p>Details of the training programmes and seminars attended by the AC members during FY2021 are set out under Practice 2.1 of this Corporate Governance Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a risk management framework that outlines the Group's risk management system, defines Management's responsibilities and sets out the risk appetite and risk tolerance of the Group. The framework is incorporated into the Risk Management Policy and Guidelines ("RMPG").</p> <p>The RMPG embeds the Group's system of risk management and internal control into an Enterprise Risk Management framework which establishes the context of the Group's business. It sets out the process for risk identification, measurement and treatment with continuous monitoring, review and communication in order to provide reasonable assurance regarding the achievement of the Group's objectives.</p> <p>The Board has delegated the overall responsibility for the adequacy and integrity of the Group's risk management and internal control framework to the AC. The AC is supported by the Risk Management Committee ("RMC"), Group Corporate Governance ("GCG") and the Integrity Team.</p> <p>The RMC and GCG ensure that the implementation of the RMPG is properly carried out throughout the Group by Management. The RMC conducts annual review on the Group's risk parameters to ensure that changes in circumstances or risk appetite are fairly reflected in the risk parameters.</p> <p>The Integrity Team is responsible for the effective operation of the anti-corruption compliance programme.</p> <p>Details of the risk management framework and internal control systems are set out in the Statement on Risk Management and Internal Control from page 63 through page 70 of the Annual Report 2021.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Group's risk management and internal control framework are disclosed in the Statement on Risk Management and Internal Control set out from page 63 through page 70 of the Annual Report 2021.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 9.3 - Step Up

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

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 10.1

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

Application	: Applied
Explanation on application of the practice	<p>The internal audit function is performed in-house by GCG. GCG is an independent function within the Group to assess the adequacy of internal controls and to monitor if established controls are operating as intended by applying standards on internal auditing promulgated by the Institute of Internal Auditors (“IIA”).</p> <p>Functionally, GCG reports directly to the AC. The GCG team has unrestricted access to the AC.</p> <p>All internal auditing activities are guided by the Internal Audit Charter which defines the roles and responsibilities, scope of work, independence and objectivity of the internal audit function. The Internal Audit Methodology serves as a guide to the internal audit team to ensure uniformity of approach in undertaking internal audit engagements.</p> <p>The Internal Audit Charter was last reviewed in 2020 to ensure it is aligned with the IIA’s International Professional Practices Framework.</p> <p>GCG carried out its activities based on a risk-based approach which is based on an annual plan approved by the AC. The AC reviews annually the adequacy of the scope, functions and resources of GCG to ensure that the responsibilities of GCG are fully discharged.</p> <p>The internal audit annual plan for FY2021 was reviewed and approved by the AC on 23 September 2020. The AC subsequently, on 16 December 2020, approved a revision to the plan to include advisory assignments involving a thorough recalibration and enhancement of the Group’s existing SOPs.</p> <p>The AC ensures that the responsibilities of GCG are properly discharged through:</p> <ul style="list-style-type: none">• reviewing the adequacy of the scope, functions, competency and resources of GCG;• reviewing the annual internal audit plan, processes and the results of all internal audit assignments undertaken and ensuring that appropriate actions are taken based on the recommendations;

	<ul style="list-style-type: none"> • reviewing the budget and ensuring sufficient resources are allocated to GCG; • ensuring that GCG is independent of the activities it audits and that the head of GCG reports functionally to the AC directly; • appraising the performance of GCG on an annual basis; and • reviewing the appointment or termination of senior GCG staff members. <p>On 17 November 2021, the AC completed its annual assessment of GCG and was satisfied with the overall performance of GCG in FY2021.</p> <p>The functions and work of GCG for the FY2021 are set out in the AC Report on page 57 of the Annual Report 2021.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 10.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The head of GCG is Mr. Lee Choong Yin who is a permanent affiliate of the Association of Chartered Certified Accountants (“ACCA”). He is also a professional member of the IIA Malaysia.</p> <p>GCG now comprises 4 auditors who are either degree holders or who have passed the profession examinations of ACCA.</p> <p>The head of GCG and the internal auditors confirm on an annual basis that they are free from any relationships or conflicts of interest which could impair their objectivity and independence.</p> <p>GCG adopts the IIA’s International Standards for the Professional Practice of Internal Auditing laid down in its International Professional Practices Framework.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p><u>Effective Communication with Stakeholders</u></p> <p>The Company recognises the value of transparent and effective communication with the investment community and aims to build long-term relationships with shareholders and investors through appropriate channels for disclosure of information.</p> <p>The Company mainly communicates with shareholders, other stakeholders and the public through press releases, press conferences, timely announcements and disclosures made to Bursa Malaysia Securities.</p> <p>The Company will leverage on technology to broaden its channel of dissemination of information, to enhance the quality of engagement with the shareholders.</p> <p>The notice of the 47th AGM was sent via email to shareholders with known valid email addresses and via post to shareholders without valid email addresses.</p> <p><u>Annual Report</u></p> <p>The annual report is also a key communication channel between the Company and its shareholders as well as stakeholders. It provides insightful explanations about the Group's performance, operations, prospects as well as activities undertaken by the Group.</p> <p><u>Corporate Website</u></p> <p>The Company's website www.ecoworld.my serves as another communication platform. The website comprises dedicated sections that provides investors with detailed information on corporate, business and governance related matters. It also incorporates an Investors & Media section which provides all relevant information on the Group such as annual reports, corporate presentations, company announcements, including the quarterly results, press releases, corporate governance report, sustainability report as well as minutes of</p>

annual general meetings, including a summary of the questions and answers raised at those annual general meetings. All the information is easily accessible by the public.

Investor Relations

The Investor Relations Department plays a critical role in facilitating investor-related activities to enable better understanding of the business and strategic direction of the Group. Discussions, interviews and dialogues are held with fund managers, financial analysts, shareholders and the media to convey information about the Group's performance, corporate strategies and other matters affecting shareholders' interests.

Since the onset of Covid-19 outbreak, the Group conducted most of its stakeholder communication and investor relation activities via video conferencing. The Group conducted quarterly results briefing in December 2020, March, June and September 2021 during the financial year and held regular meetings with investors, fund managers and research analysts.

The following were the key investor-related activities held during FY2021:

Month	Key Investor Relations Activities
January 2021	Investor roadshow, Kuala Lumpur
Throughout FY2021	Site visits and online meetings with institutional investors, fund managers and analysts

General Meetings

The Board also views general meetings as ideal opportunities to communicate with shareholders where the CEO briefs shareholders on the Group's projects and development. The meetings provide a forum for dialogue and interaction between the Board and shareholders, both individual and institutional.

During the Covid-19 pandemic, the Company holds its AGMs virtually. The proceedings at these virtual AGMs are streamed live with online remote voting enabled.

While the Company endeavours to provide as much information as possible to its shareholders and the investment community, it is also mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

Shareholders and investors may forward any queries to the Company via email to corp@ecoworld.my.

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

Intended Outcome

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

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

Practice 11.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board acknowledges that the MCCG encourages the adoption of integrated reporting based on a globally recognised framework to improve the quality of information available to investors and promote greater transparency and accountability.</p> <p>Recognising that integrated reporting is a journey which requires cross functional efforts, the Company will gradually build upon the necessary processes and systems to support the development towards integrated reporting.</p> <p>In an effort to gradually adopt integrated reporting, the Board endorsed a Sustainability Report 2020 in FY2020 which included preliminary integrated concepts. The introduction of a value creation model and classification of content according to the 6 types of capitals, namely, Financial, Manufactured, Human, Intellectual, Nature and Social and Relationship, as prescribed by the International Integrated Reporting Council framework, marked the beginning of the Group's journey towards full-fledged integrated reporting.</p> <p>On 16 December 2021, the Board endorsed further enhancements to the Sustainability Report 2021 by introducing additional elements of integrated reporting.</p> <p>A preliminary gap analysis is targeted to be performed in FY2022 to assess the Group's readiness to adopt Integrating Reporting by the targeted deadline of FY2023.</p>
		<p>The Board is of the view that the current disclosures and dissemination of information with detailed narratives of the Group's financial and non-financial information to our various stakeholders are sufficient for making informed decisions.</p>

	<p>The annual report which contains comprehensive financial and non-financial information such as financial performance, future prospects, President’s Management Discussion and Analysis, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control provides sufficient information to enable investors to make informed decisions.</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>Measure</p>	<p>: The Company will take steps to adopt integrated reporting based on a globally recognised framework.</p>	
<p>Timeframe</p>	<p>: Others</p>	<p>By FY2023</p>

Intended Outcome

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

Practice 12.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Company has already applied this practice since FY2018 and the 28 days' notice period has been embedded into its Board Charter in FY2018.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company's 47th AGM held on 31 March 2021 was live streamed with remote participation by shareholders.</p> <p>To practice physical distancing at the meeting venue, only 4 Directors were present in person at the broadcast venue while the remaining Directors, including the Chair of the AC, NC and RC attended the meeting remotely.</p> <p>The minutes of the 47th AGM are published on the Company's website at www.ecoworld.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has held its AGM virtually since 2020 amid the Covid-19 pandemic. Shareholders were able to participate remotely via live streaming webcast and vote in absentia using the Remote Participation and Voting facilities ("RPV").</p> <p>The 47th AGM of the Company was live streamed using the RPV provided by SS E Solutions Sdn. Bhd. via its online meeting platform, namely Securities Services e-Portal at https://sshsb.net.my/.</p> <p>A step-by-step administrative guide was issued to assist shareholders on the registration, participation and voting using the RPV. The administrative guide was also published in the Company's website to encourage shareholders' participation.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

**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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