

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 5253  
**COMPANY NAME** : ECONPILE HOLDINGS BERHAD  
**FINANCIAL YEAR** : June 30, 2023

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

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

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

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

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors (“the Board”) has primary responsibilities to shareholders for the welfare of the Company. The Board is responsible for guiding and monitoring the business and affairs of the Company with a view to enhance long term shareholders’ value. The Board plays a critical role in setting the appropriate tone at the top and is charged with leading and managing the Group in an effective, good corporate governance and ethical manner.</p> <p>During the financial year ended 30 June 2023 (“FY2023”), the Group’s budget for FY2023 was presented to the Board during the Board meeting held in August 2022. The Board reviewed, discussed and approved the budget for FY2023 after consideration of the market prospects in the construction industry.</p> <p>In discharging its responsibilities, the Board had established an Audit &amp; Risk Management Committee (“ARMC”), a Nomination Committee (“NC”) and a Remuneration Committee (“RC”) and delegated specific duties to the respective Board Committees to assist the Board to perform certain of its function and to provide recommendations and advice to the Board. The Board retains the ultimate responsibility for final decision on all matter lies with the Board.</p> <p>The roles and responsibilities of the Board are set out in the Board Charter while the roles and responsibilities of the Board Committees in discharging their functions delegated by the Board are set out in their respective Terms of Reference. The activities carried out by each Board Committee are set out in the Annual Report 2023.</p> <p>The Board Charter and the Terms of Reference of the Board Committees can be viewed from the Company’s website at <a href="http://www.econpile.com">www.econpile.com</a>.</p>
<b>Explanation for departure</b>	:	

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

## Intended Outcome

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

## Practice 1.2

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 Mr. Krishnan A/L C K Menon, an experienced Independent Non-Executive Chairman in FY2023. He was subsequently redesignated as a Non-Independent Non-Executive Chairman on 18 October 2023.</p> <p>As the Chairman of the Board, he is responsible for the performance and conduct of the Board. His duties amongst others include:</p> <ul style="list-style-type: none"><li>(a) provides leadership for the Board so that the Board can perform its responsibilities effectively;</li><li>(b) sets the Board agenda and ensures that Board members receive complete and accurate information in a timely manner;</li><li>(c) leads Board meetings and discussions;</li><li>(d) encourages active participation and allows dissenting views to be freely expressed;</li><li>(e) manages the interface between Board and Management;</li><li>(f) ensures appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole; and</li><li>(g) leads the Board in the adoption and implementation of good corporate governance practices in the Company.</li></ul> <p>The roles and responsibilities of the Chairman of the Board are clearly specified in the Board Charter.</p> <p>In view that the Group Chief Executive Officer forms part of the Board, the Non-Executive Directors which include the Chairman of the Board, had in May 2023 met among themselves to discuss on strategic, governance and operational of the Group. The relevant outputs were communicated to the Management for their necessary action subsequently.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

### Intended Outcome

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

### Practice 1.3

The positions of Chairman and CEO are held by different individuals.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of a clear division of responsibility between the Chairman, Group Managing Director and Group Chief Executive Officer to ensure a balance of power and authority and no individual has unfettered powers of decision and control. The positions of the Chairman, Group Managing Director and Group Chief Executive Officer are held by different individuals and their respective roles are clearly defined in the Board Charter.</p> <p>The position of Board Chairman is currently held by Mr. Krishnan A/L C K Menon whilst the positions of Group Managing Director and Group Chief Executive Officer are helmed by Mr. The Cheng Eng and Mr. Pang Sar respectively.</p> <p>The Board Chairman provides leadership role in the conduct of the Board and its relations with the shareholders and stakeholders.</p> <p>The Group Managing Director is responsible for the running of the affairs of the Group under delegated authority from the Board and to implement the policies and strategies set by the Board.</p> <p>The Group Chief Executive Officer is responsible for managing the daily conduct of business, supervision and management of the Group as well as assisting the Group Managing Director in all of his responsibilities.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 1.4**

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	The Chairman of the Board, Mr. Krishnan A/L C K Menon is not a member of any Board Committee.
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## Intended Outcome

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

## Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has engaged external qualified company secretaries from Tricor Corporate Services Sdn. Bhd. The Company Secretaries are Associate members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and qualified under Section 235(2)(a) of the Companies Act 2016.</p> <p>The Company Secretaries provide support to the Board in fulfilling its fiduciary duties and play an advisory role particularly with regards to the Company's Constitution, Board policies and procedures and its compliance with regulatory and statutory requirements, codes, guidance and legislations. They have also attended the relevant continuous professional development programmes as required by MAICSA and Companies Commission of Malaysia for practicing company secretaries to constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in corporate governance.</p> <p>The Company Secretaries attend all Board and Board Committees meetings including general meeting and ensure the meetings are properly organised and convened, and the deliberations, proceedings and resolutions passed are recorded, properly maintained and secured.</p> <p>All Directors have ready and unrestricted access to the advice and services of the Company Secretaries in carrying out their duties. The appointment and removal of the company secretaries should be a matter for the Board as a whole.</p> <p>The detail of the responsibilities of the Company Secretary is clearly set out in the Board Charter.</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>	:		
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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 1.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During the FY2023, the Board had convened 6 meetings, the ARMC had convened 5 meetings, whilst the NC and RC had 4 and 2 meetings respectively. Notice of meetings setting out the agenda and accompanied by the relevant agenda papers containing the relevant information to be deliberated at the meeting are given to the Board and Board Committees members within sufficient time in order for them to review and seek additional information and/or clarification on the matters to be deliberated at Board and Board Committees meetings. Regular Board meetings are held on a quarterly basis and ad hoc Board meeting(s) are held as and when required.</p> <p>The Company strives to provide the meeting materials at least 5 business days in advance of each meeting. All pertinent issues discussed at the Board and Board Committees meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries, including matters where Directors abstained from deliberation and/or voting on a particular matter, and any dissenting decisions by any members of the Board or Board Committees. The minutes of meetings circulated to all the Board and Board Committees members for perusal prior to confirmation at the next meeting. In the intervals between Board meetings, Board's decisions or approvals for matters that are urgent or administrative in nature will be sought via circular resolutions which are supported with relevant information and explanations and the same applies to the Board Committees.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter is in place and was last reviewed by the Board on 29 August 2023. The Board Charter sets out the roles and responsibilities of the Board, Chairman of the Board, Group Managing Director, Group Chief Executive Officer, Executive and Non-Executive Directors, and Company Secretaries, including a formal schedule of matters reserved for the Board for consideration and decision. It also sets out the delegation of authority by the Board to the Board Committees, namely ARMC, NC and RC.</p> <p>The Board Charter is accessible through the Company's website at <a href="http://www.econpile.com">www.econpile.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>To strengthen the standards of corporate governance and corporate behaviour, the Board has formalised a Code of Ethics which is to be observed by all Directors. In addition, the Company has a Code of Conduct that sets out the standards of conduct and responsible behaviour expected of all Directors, Management and officers to promote corporate culture which inculcates ethical conduct throughout the Group.</p> <p>The Code of Conduct and Code of Ethics were last reviewed on 29 August 2023 and are accessible through the Company's website at <a href="http://www.econpile.com">www.econpile.com</a>.</p> <p>As part of the Company's commitment against all forms of bribery and corruption, the Board has adopted the Anti-Bribery and Anti-Corruption Policy which sets out rules and guidance to Directors, Senior Management, employees and business associate who work for and/or act for or on behalf of the Group on how to deal with improper solicitation, requests for bribes and other corrupt activities and issues that may arise in the course of business.</p> <p>On top of the above, the Board had on 28 November 2022 adopted a Conflict of Interest Policy to provide guidance in identifying and manage any actual, potential and perceived conflict of interest situations between the employees (including Directors) and the Group.</p> <p>The Anti-Bribery and Anti-Corruption Policy as well as the Conflict of Interest Policy are accessible through the Company's website at <a href="http://www.econpile.com">www.econpile.com</a>.</p>
<b>Explanation for departure</b>	:	

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

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

**Intended Outcome**

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>Whistleblowing Policy &amp; Guidelines are in place to ensure there is a structured channel for employees to raise genuine concerns regarding malpractices committed within the Group without fear of reprisal and with the confidence that their complaints will be acted upon and their identities are kept confidential.</p> <p>During the FY2023, no whistleblowing report was received by the ARMC and the Board.</p> <p>The Whistleblowing Policy &amp; Guidelines are accessible through the Company’s website at <a href="http://www.econpile.com">www.econpile.com</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

### Practice 4.1

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is ultimately accountable for all sustainability matters in the Group through its governance structure. The Group's commitment towards being a sustainable organisation and its endeavour to continuously improve its sustainability efforts are underlined across three aspects of sustainability i.e. economic, environmental and social ("EES"). The Group's sustainability efforts are driven by the Group Managing Director and Group Chief Executive Officer, who are supported by the members of Key Senior Management.</p> <p>The members of Key Senior Management are tasked to monitor, evaluate, develop and implement strategies, taking into consideration sustainability aspects, impact and objective.</p> <p>While the Group has yet to set the long-term sustainability targets and goals at the company level, its main operations have been working within an accredited Integrated Management System approved to ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018.</p> <p>The Integrated Management System ensures the business activities that have an impact on quality, environment and health &amp; safety are planned, controlled and monitored. Performance targets at the function level are in place in these three areas.</p> <p>The Company has published its Sustainability Statement in its Annual Report which encompassing the Group's on-going sustainability initiatives for each financial year as well as the various endeavours of the Group to build up the three key pillars of the Group's sustainability efforts.</p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

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

### Practice 4.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Throughout the year, the Board strives to keep the internal and external stakeholders informed on the Group's sustainability activities including the Company's sustainability strategies, priorities and targets.  The Group's on-going sustainability initiatives, material sustainability matters as well as the activities undertaken by the Group to support the sustainability practices and corporate social responsibility initiatives are disclosed in the Sustainability Statement of the Annual Report of the Company.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board continuously keep themselves abreast with and understanding the sustainability issues which are relevant to the Group and its business. The Management has been constantly updated the Board on the relevant sustainability issues relevant to the Group and its business. The Board also took note of the enhanced sustainability reporting framework introduced by Bursa Malaysia Securities Berhad and is endeavour to adhere to the requirements.</p> <p>In view of the increased interest from stakeholders and regulators on matters relating to sustainability, the Group will continue to engage its stakeholders and explore further improvement in conducting the business in a more sustainable manner. The Board is also mindful of the need to keep abreast of the external trends. If necessary, external consultants will be engaged to provide training and knowledge development on sustainability matters to the Board.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.4

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Company has yet to develop the criteria or key performance indicators (“KPIs”) in the performance evaluations of the Board and Key Senior Management in addressing the Company’s material sustainability risks and opportunities.</p> <p>The Company will consider integrating sustainability assessment into the annual board evaluation exercise as well as Key Senior Management’s KPIs after company-level sustainability targets have been set.</p> <p>Notwithstanding that, the NC had carried out annual board evaluation on the effectiveness of the individual Directors, Board and Board Committees for the FY2023.</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>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

**Intended Outcome**

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

**Practice 4.5- Step Up**

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

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

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

### Intended Outcome

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

### Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC is responsible for the recommendation of the most suitable candidates to the Board and assessed the appropriateness of the Board composition to ensure that it is able to discharge its duties in an informed and conscientious manner.</p> <p>The NC, in accordance with its Terms of Reference, is also tasked to review and assess the tenure, performance and contribution of retiring Directors including the fit and proper criteria as set out in the Directors' Fit and Proper Policy, prior to recommending to the Board for consideration.</p> <p>In considering the recommendation of Mr The Cheng Eng and Mr Pang Sar for re-election as Directors, the NC had reviewed and assessed their performance and contribution as well as fit and proper assessment. The NC concluded that the retiring Directors met the fit and proper criteria set out in the Company's Fit and Proper Policy and have carried their duties and responsibilities effectively during FY2023. The NC then recommended the re-election of the aforesaid Directors to the Board and subsequently to the shareholders for approval at the 11<sup>th</sup> Annual General Meeting ("AGM") to be held on 29 November 2023.</p> <p>The NC had also in August 2023 conducted an annual assessment to evaluate the performance of the Board, Board Committees and individual Directors for FY2023. Based on the annual assessment report, the NC was satisfied that the existing Board and Board Committees have the right mix of skills, professional background, knowledge and experience and the Directors (individually and collectively) have discharged their respective roles and responsibilities in a conscientious manner.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

### Intended Outcome

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

### Practice 5.2

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Board comprises 3 Independent Directors and 4 Non-Independent Directors during the FY2023. There have been several changes to the composition of the Board which comprised of:-</p> <ul style="list-style-type: none"><li>(i) Teh Bee Choo has been appointed to the Board as an Independent Non-Executive Director on 3 August 2022;</li><li>(ii) Ong Poay Wah @ Chan Poay Wah has stepped down from the Board as a Senior Independent Non-Executive Director on 18 October 2022;</li><li>(iii) Dato' Rosli Bin Mohamed Nor has been redesignated from Independent Non-Executive Director to Non-Independent Non-Executive Director on 18 October 2022; and</li><li>(iv) Law Siew Ngan has been appointed to the Board as an Independent Non-Executive Director on 18 October 2022.</li></ul> <p>With 1/3 of the members of the Board being newly appointed in FY2023, the Board believes that the composition of the Board is balanced and diverse; conducive to promoting fresh perspectives whilst providing stability and continuity to the Company.</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>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

**Intended Outcome**

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

**Practice 5.3**

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Currently, there are no Independent Directors serving beyond a cumulative term limit of nine years.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.4 - Step Up**

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

*Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.*

<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 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The appointment of new Directors falls under the purview of NC. The NC is responsible for identifying, assessing, considering and recommending suitable persons for appointment as Directors, relying on sources from existing Board members, Management, major shareholders and other independent sources such as executive search firms. In making the recommendations, due consideration shall be given to:</p> <ul style="list-style-type: none"><li>(a) the candidates' skills, knowledge, expertise and experience, professionalism, character, integrity, reputation, competence and commitment (including time commitment) to effectively discharge his/her role as a Director;</li><li>(b) boardroom diversity including gender, age and ethnicity; and</li><li>(c) in the case of candidates for the position of Independent Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Directors.</li></ul> <p>The Board upon the recommendation of the NC, evaluates and decides on the appointment of the proposed candidate to the Board.</p> <p>The appointment of Senior Management is based on predetermined criteria that includes skill sets, integrity and leadership qualities, driven by their respective job description.</p> <p>Based on the Board annual assessment for the FY2023, the Board concluded that the Board composition consists of members that are of diverse mix of skill sets, knowledge and experience (i.e. engineering, construction, accounting, finance, economics and business management) and age (range between 43-75). The Board was also satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities. As at the date of the report, none of the Directors hold more than five directorships in listed issuer and no politician was appointed to the Board.</p>

	The Board, alongside the NC, undertakes periodic reviews of the composition of the Board to ensure that they remain diverse.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.6

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC is responsible to identify candidates to the Board if vacancy arises or if there is a need to appoint additional directors to strengthen the composition of the Board.</p> <p>In identifying candidates for the Board, the NC does not solely rely on recommendations from existing directors, management or major shareholders. The NC also utilises independent sources to identify suitably qualified candidates.</p> <p>The Board had in August and October 2022 appointed 2 independent directors, i.e. Ms. Teh Bee Choo and Ms. Law Siew Ngan. In the search for potential director candidates, the NC has engaged independent source to identify suitably qualified candidates. Among the proposed candidates, the Board opined that the newly appointed Directors have the most appropriate skills, knowledge and experience and will be able to contribute positively to the Board.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Shareholders were provided with the detailed information on Directors who are standing for re-election at the 10 <sup>th</sup> AGM i.e. details of interest, position in the Company, family relationships with any Director and/or major shareholder of the Company together with their nationality, age, gender, directorship and working experience via the explanatory notes to the Notice of the 10 <sup>th</sup> AGM of the Company.  In addition, the Board and the NC had assessed the performance and contribution of the Directors who were seeking re-election at the 10 <sup>th</sup> AGM before tabling the same to the shareholders for approval on 28 November 2022. The Board's statement of support on the re-election of the Directors is set out in the explanatory note to the Notice of 10 <sup>th</sup> AGM of the Company.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.8**

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

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

### Intended Outcome

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

### Practice 5.9

The board comprises at least 30% women directors.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has a Board Diversity Policy with the objective to ensure that the Board has the diversity of perspectives, experience and skills necessary for effective oversight of the Group. Diversity includes, but is not limited to, gender, age and ethnicity. The Board is committed to maintain at least 30% women director on Board, whilst ensuring that diversity in age and ethnicity remains a feature of the Board.</p> <p>As at 30 June 2023, the Board has 3 women Directors, namely Ms. Teh Bee Choo, Ms. Law Siew Ngan and Ms. The Kun Ann, representing 42.86% of the total number of Board members.</p> <p>Following the resignation of Dato' Rosli Bin Mohamed Nor on 18 October 2023, the current woman representation on the Board is 50%, i.e. three out of six Directors.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.10

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In addition to Board Diversity Policy, the Company has in place a Workplace Diversity Policy to achieve the objective of developing and promoting a corporate culture that supports workplace diversity at all levels, including Senior Management.</p> <p>The Board strives to have at least 30% women directors on the Board and 20% women participation in Management positions. "Management" refers to Senior Managers and above employed by the Group. These targets are outlined in the Board Diversity Policy and Workplace Diversity Policy.</p> <p>As at 30 June 2023, women representation of the Group in the Board and Management position are 42.86% and 20% respectively.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The annual evaluation on effectiveness of the Board, Board Committees and each individual director falls under the purview of NC.</p> <p>The performance assessments were conducted in-house via self-assessment questionnaires. Each Director was required to complete a set of questionnaires and the aggregate responses were tabled to and reviewed by the NC. Thereafter, the NC reported the same to the Board. No external facilitator has been used.</p> <p>The assessment includes Directors' self-assessment on its fit and properness and skill sets matrix and Board assessment on the overall effectiveness of the Board and Board Committees. The assessment also helped the individual Directors to understand and determine their upskilling or development needs.</p> <p>The Board, through the NC's annual appraisal for the FY2023, concluded that the Board and Board Committees have the right mix of backgrounds, skills and experiences and the Directors (individually and collectively) have discharged their respective roles and responsibilities in a conscientious manner.</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

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

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

### Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges that remuneration is a key ingredient in attracting, retaining and motivating talented and high-calibre individuals that can successfully run and manage the business. In this regard, the Board has formalised a RC. The primary objective of the RC is to provide recommendations on remuneration packages and benefits for Executive Directors, Non-Executive Directors and Key Senior Management.</p> <p>A Remuneration Policy has been adopted and was last reviewed on 29 August 2023. It sets out the remuneration principles and guidelines for the Board and Key Senior Management of the Company. In setting the remuneration of Directors, the Board is guided by the Remuneration Policy. The Executive Directors shall not participate in decisions regarding their own remuneration. The fees and other benefits payable to the Non-Executive Directors, which had been reviewed by the RC, are recommended by the Board to the shareholders for approval at the AGM.</p> <p>The remuneration package for Executive Directors has been structured to link rewards to corporate and individual performance while Non-Executive Directors' remuneration reflects the experience and level of responsibilities undertaken by individual Non-Executive Directors.</p> <p>The Remuneration Policy is accessible through the Company's website at <a href="http://www.econpile.com">www.econpile.com</a>.</p>
<b>Explanation for departure</b>	:	

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

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

### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The RC comprised solely of Non-Executive Directors and is chaired by Ms. Law Siew Ngan, an Independent Director. The RC is responsible to review and recommend matters relating to the remuneration of the Board and Key Senior Management.</p> <p>The duties and responsibilities of the RC are stated in the Terms of Reference of the RC which was last reviewed in August 2023.</p> <p>The Director who is also shareholder of the Company had abstained from voting on the resolution pertaining to the approval of their own fees at the last AGM held in November 2022.</p> <p>The Terms of Reference of the RC is accessible at the Company's website at <a href="http://www.econpile.com">www.econpile.com</a>.</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 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The details of the remuneration received by each Director during the FY2023 are as follows:-

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Krishnan A/L C K Menon	Independent Director	77.0	5.5	0.0	0.0	0.0	0.0	82.5	77.0	5.5	0.0	0.0	0.0	0.0	82.5
2	Teh Bee Choo	Independent Director	51.8	7.5	0.0	0.0	0.0	0.0	59.3	51.8	7.5	0.0	0.0	0.0	0.0	59.3
3	Law Siew Ngan	Independent Director	41.4	4.0	0.0	0.0	0.0	0.0	45.4	41.4	4.0	0.0	0.0	0.0	0.0	45.4
4	The Cheng Eng	Executive Director	0.0	3.0	120.0	0.0	0.0	5.6	128.6	0.0	3.0	741.0	51.7	22.7	33.3	851.7
5	Pang Sar	Executive Director	0.0	3.0	120.0	0.0	0.0	5.6	128.6	0.0	3.0	741.0	51.7	22.7	33.3	851.7
6	The Kun Ann	Executive Director	0.0	3.0	36.0	0.0	0.0	5.8	44.8	0.0	22.2	320.8	29.5	9.9	46.9	429.3
7	Ong Poay Wah @ Chan Poay Wah (Resigned on 18 October 2022)	Independent Director	16.2	5.0	0.0	0.0	0.0	0.0	21.2	16.2	5.0	0.0	0.0	0.0	0.0	21.2
8	Dato' Rosli Bin Mohamad Nor (Resigned on 18 October 2023)	Non-Executive Non-Independent Director	53.9	9.0	0.0	0.0	0.0	0.0	62.9	53.9	9.0	0.0	0.0	0.0	0.0	62.9
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
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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 8.2

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The remuneration of the top five senior management is not disclosed on a named basis. The Board is of the view that such disclosure may contribute to talent retention issues as employee poaching is a common phenomenon in the construction industry and is not in the best interest of the Group.	
		As an alternative, the Company had disclosed the remuneration of the top three senior management (also a Director) on named basis under Practice 8.1 above and also in the Annual Report 2023. Whereas the remuneration of the remaining senior management was disclosed in the bands of RM50,000 in the Corporate Governance Overview Statement of the Annual Report 2023, as follows:	
		Range of Remuneration	Number of Senior General Manager/ Deputy Senior General Manager in core group of senior management
		RM250,001-RM300,000	1
		RM300,001-RM350,000	1
		RM350,001-RM400,000	1
		RM500,001-RM550,000	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>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	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 8.3 - Step Up**

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

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

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	As at 30 June 2023, the Chairman of the ARMC is Ms. Teh Bee Choo while the Chairman of the Board is Mr. Krishnan A/L C K Menon who is not a member of the ARMC.  Having the positions of Board Chairman and the Chairman of the ARMC assumed by different individuals, it allows the Board to objectively review the ARMC's findings and recommendations.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The ARMC's Terms of Reference and External Auditors' Assessment Policy require a former key audit partner of the Company to observe a cooling-off period of at least 3 years before being appointed as a member of the ARMC in order to safeguard the integrity and independence of the audit process.</p> <p>To-date, no former partner of external audit firm serving the Company or the Group has ever been appointed to the Board.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The ARMC is responsible for assessing the capabilities and independence of the external auditors and to make subsequent recommendations to the Board on the appointment, re-appointment or termination of the external auditors.</p> <p>In safeguarding and supporting external auditors' independence and objectivity, the Company has formalised an External Auditors' Assessment Policy which primarily outlines the selection process of new external auditors, criteria for the annual assessment on the performance of external auditors, basic principles on the prohibition of non-audit services and the approval process for the provision of non-audit services.</p> <p>The Board has determined the scope and nature of non-audit services that are prohibited, among others, internal audit and policy and standard operating procedures documentation. The Board was of view that the objectivity and independence of the external auditors are not in any way impaired by reason of the non-audit services provided to the Group.</p> <p>The ARMC had on 29 August 2023 undertaken an annual assessment on the performance, suitability and independence of the external auditors for the FY2023 based on the following criteria:</p> <ul style="list-style-type: none"><li>• Calibre of the external auditors</li><li>• Audit quality</li><li>• Adequacy of resources</li><li>• Communication and interaction</li><li>• Audit scope and planning</li><li>• Provision of non-audit services</li><li>• Audit fees</li></ul> <p>Based on the assessment results, the ARMC was satisfied with the competencies, audit quality and resource capacity of the external auditors, namely KPMG PLT and that the provision of non-audit services by KPMG PLT for the FY2023 did not in any way impair their objectivity and independence as external auditors of the Company.</p>

	<p>KPMG PLT had also briefed the ARMC on its Transparency Report 2022.</p> <p>Based on the ARMC's recommendation and having regard to the outcome of the annual assessment of the external auditors, the Board agreed to recommend the re-appointment of KPMG PLT as external auditors of the Company to the shareholders for approval at the forthcoming 11<sup>th</sup> AGM of the Company.</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 an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b> :	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 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The members of the ARMC, collectively, possess a wide range of skills, knowledge and industry practice and the requisite accounting or related financial management expertise. Together, they provide an effective level of challenge to Management.</p> <p>The members of the ARMC continuously apply critical and probing view on the Company's financial reporting process, transactions and other financial information, and effectively challenge Management's assertions on the Company's financials during the ARMC meeting.</p> <p>The Board through the NC is responsible for ensuring that all the ARMC members receive ongoing training and development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules. Apart from that, the ARMC receives periodic updates on new accounting standards from the Company's external auditors and corporate governance update from the Company Secretaries.</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 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Whilst the Board maintains ultimate control over risk and control issues, it has delegated to the ARMC to oversee the implementation of the system of risk management and internal control within established parameters and framework.</p> <p>The key risks relating to the Group's strategic matters are discussed at the ARMC and Board meetings. In addition, the responsibility for identifying and managing the risks of each department within the Group lies with the respective Heads of Department and it is during the monthly management meetings where significant risks identified and the corresponding internal controls implemented are communicated to the Executive Directors and senior management.</p> <p>A risk register is in place to identify, evaluate and manage the significant risks of the Group on an ongoing basis. The risk management framework is guided by the principles of Committee of Sponsoring Organizations of the Treadway Commission ("COSO") Enterprise Risk Management framework, an internationally recognised risk management framework.</p> <p>The Group's internal audit function, which reports directly to the ARMC, is outsourced to Tricor Axcelasia Sdn. Bhd. The Engagement Executive Director has diverse experience in internal audit, risk management and corporate governance advisory. The internal audit reviews are conducted using a risk-based approach and are guided by the International Professional Practice Framework.</p> <p>Further details of the risk management and internal control framework can be found in the Statement on Risk Management and Internal Control of the Annual Report 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

### Intended Outcome

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

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

### Practice 10.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a framework to review and manage significant risks to the Group. The key features and elements of the Group's risk management and internal control as well as their adequacy and effectiveness are detailed in the Statement on Risk Management and Internal Control in the Company's Annual Report 2023.</p> <p>The Board is of the view that the Group's system of risk management and internal control is effective and adequate to safeguard shareholders' investments and the Group's assets.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 10.3 - 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> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	

### Intended Outcome

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

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The ARMC is responsible for monitoring and reviewing the effectiveness of the Group's internal audit function. The function is independent of the external auditors and is led by the Group's outsourced Internal Auditors, Tricor Axcelasia Sdn. Bhd.</p> <p>The Internal Auditors attend ARMC meeting and report independently and directly to the ARMC in respect of the internal audit function by bringing an objective and disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes. The ARMC together with the Internal Auditors agree on the scope and internal audit plan. All audit findings along with recommendations for improvement and Management's responses to the findings and recommendations are reported to the ARMC semi-annually.</p> <p>In addition, the ARMC meets with the Internal Auditors at least once annually without the presence of Management. The Internal Auditors have unfettered access to the ARMC, the Board and Management as well as the Group's documents, records, properties and personnel.</p> <p>The ARMC also reviews the adequacy of the scope, competency, experience and resources of the internal audit function annually and access whether it has the necessary authority and resources to carry out its work.</p> <p>For further details, please refer to ARMC Report of the Annual Report 2023.</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 have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 11.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group’s internal audit function is outsourced to Tricor Axcelasia Sdn. Bhd. The Engagement Executive Director for the FY2023 is Ms. Melissa Koay who has diverse professional experience in internal audit, risk management and corporate governance advisory. She is a Chartered Member of the Institute of Internal Auditors Malaysia, a member of the Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom. Ms. Melissa Koay is also a Certified Internal Auditor.</p> <p>The number of staff deployed for the internal audit reviews is ranging from 3 to 4 staff per visit including the Engagement Director. The staff involved in the internal audit reviews possess professional qualifications and/or university degree. Certain staff are members of the Institute of Internal Auditors Malaysia. The internal audit staff on the engagement team are free from any relationships or conflict of interest, which could impair their objectivity and independence. The internal audit reviews were conducted using a risk-based approach and were guided by the International Professional Practice Framework.</p> <p>A statement on the Internal Audit Function with the required disclosure is available under the ARMC Report in the Annual Report 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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### Intended Outcome

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of effective and timely communication with the stakeholders, shareholders and investors to keep them informed on the Group's latest business and corporate developments. Such information is disseminated via the Group's audited financial statements, annual reports, quarterly financial results and through various disclosures via the Company's website at <a href="http://www.econpile.com">www.econpile.com</a> as well as the official website of Bursa Malaysia Securities Berhad. In addition, the Group also engages in regular dialogues with institutional investors, fund managers and analysts.</p> <p>The AGM serves as a principal forum for dialogue with shareholders and investors, where they may seek clarification on the Group's performance, major developments of the Company as well as on the resolutions being proposed. The AGM forms a direct platform for shareholders to engage directly with the Directors by providing their feedback and view to the Company. Members of the Board as well as the External Auditors and the Company Secretaries are present to answer questions raised.</p> <p>The Company has in place the Corporate Disclosure Policies and Procedures which provides guidance for disclosure of material information in accordance with the Listing Requirements.</p> <p>In addition to the above, the Company's website is regularly updated with current and relevant information to provide up-to-date information on the business, corporate governance and financial information of the Group. The contact details of the designated person are made available at the Company's website at <a href="http://www.econpile.com">www.econpile.com</a> for stakeholders to provide their view and feedback.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

**Intended Outcome**

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

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

**Practice 12.2**

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

<b>Application</b>	:	Not applicable – Not a Large Company	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 13.1

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>The 10<sup>th</sup> AGM of the Company was conducted virtually from the broadcast venue at Meeting Room, Level 8, Tower Block, Plaza Dwtasik, Jalan Sri Permaisuri, Bandar Sri Permaisuri, 56000 Kuala Lumpur, Malaysia. The Notice of the 10<sup>th</sup> AGM was issued and made available at the Company's website and advertised in a nationally circulated newspaper on 28 October 2022, which was more than 28 days prior to the AGM scheduled on 28 November 2022 and well in advance of the 21-day requirement under the Companies Act 2016 and the Listing Requirements.</p> <p>Sufficient notice period was given to the shareholders in order for them to schedule their time to attend the Company's AGM. The notice for the AGM outlines the resolutions to be tabled during the meeting and is accompanied with explanatory notes and background information where applicable to shed clarity on the matters that will be decided at the AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 13.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The 10 <sup>th</sup> AGM was conducted virtually from the broadcast venue. All the Directors attended the 10 <sup>th</sup> AGM held on 28 November 2022 remotely to engage with the shareholders via live streaming. Senior Management, Company Secretary and External Auditors were also in attendance to respond to any financial, operational and corporate governance queries raised by the shareholders. Shareholders are encouraged to participate in the proceedings and raise questions before the resolutions are put to vote and sufficient time was allocated for such purpose. All issues and questions raised by the shareholders pertaining to the Company's financial statements and business operations were provided with a meaningful response.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 10<sup>th</sup> AGM was conducted virtually through live streaming and online remote voting via the remote participation and voting (“RPV”) facilities provided by Tricor Investor &amp; Issuing House Services Sdn. Bhd. (“Tricor”) via TIIH Online website at <a href="https://tiih.online">https://tiih.online</a>.</p> <p>With the RPV facilities provided by Tricor, the following measures were implemented to encourage shareholders’ attendance and participation and ensure that there will be no meeting interference and all participants’ data are kept secure and safe:-</p> <p>(a) Administrative Guide was circulated to the shareholders together with the Notice of the 10<sup>th</sup> AGM so as to facilitate remote participation and e-voting;</p> <p>(b) Electronic lodgement of proxy forms was provided by Tricor via TIIH Online website;</p> <p>(c) Electronic submission of questions by shareholders was allowed via TIIH Online prior to the date of meeting or during the meeting;</p> <p>(d) The AGM proceeding was live streamed to TIIH Online for remote participants to watch live; and</p> <p>(e) Tricor had put in place information technology security measures to prevent cyber threats and data breaches.</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

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: Shareholders were given the opportunity to submit questions prior to the 10 <sup>th</sup> AGM via TIIH Online website or real time submission of typed text via the RPV facilities provided by Tricor.  At the 10 <sup>th</sup> AGM, the Deputy Senior General Manager of Finance of the Company gave a brief presentation on the Group's key financial and project highlights for the financial year ended 30 June 2022. The Company endeavoured to address the questions and suggestions put forward by the shareholders, within the allocated timeframe.  The minutes of the 10 <sup>th</sup> AGM together with the responses from the Board and/or Management to questions raised by the shareholders were uploaded to the Company's website at <a href="http://www.econpile.com">www.econpile.com</a> within 30 business days after the 10 <sup>th</sup> AGM.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

### Intended Outcome

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

### Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The 10<sup>th</sup> AGM was conducted virtually through live streaming and online remote voting via the RPV facilities at TIIH Online website provided by Tricor. A detailed administrative guide attached to the 10<sup>th</sup> AGM notice was issued to provide guidance on the registration, participation and voting using the RPV facilities.</p> <p>Prior to the 10<sup>th</sup> AGM, a dry run was conducted to ensure that the information technology infrastructure and the RPV facilities were in working order. Visual and audio tests were conducted to ensure that participants at other locations would be able to access the virtual meeting and participate in the 10<sup>th</sup> AGM without any hinderance. The RPV facilities provided a smooth broadcast, where shareholders have participated remotely in the 10<sup>th</sup> AGM, cast on all resolutions electronically and engaged with the Company through questions submitted via the RPV facilities.</p> <p>During the 10<sup>th</sup> AGM, questions posed by shareholders were made visible to all participants at the AGM during the questions and answers session.</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**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The minutes of the 10 <sup>th</sup> AGM of the Company held on 28 November 2022 were uploaded to the Company's website at <a href="http://www.econpile.com">www.econpile.com</a> on 11 January 2023 i.e. within 30 business days after the 10 <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>	:  

**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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