

CORPORATE GOVERNANCE REPORT

STOCK CODE : 2097
COMPANY NAME : Eastland Equity Bud
FINANCIAL YEAR : June 30, 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 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established clear roles and responsibilities for its fiduciary and leadership functions of the Board, its Chairman, Managing Director and Independent Directors in its Board Charter. Also, the Board has defined its schedule of matters covering the corporate exercise, shareholders' communication, governance, material to be retained for Board decision.</p> <p>The Board has established Audit and Risk Management Committee ("ARMC"), Nominating Committee and Remuneration Committee to ensure greater attention in the deliberation of specific Board agenda. The Board has defined the terms of reference for each Committee and the Chairmen of the respective Board Committees shall report to the Board during the Board meeting on significant and salient matters deliberated in the Committees.</p> <p>The Board continued to ensure its effectiveness and to provide strong leadership to the Group and Management. In order to ensure the business is being properly managed, the Board performed periodic reviews of the financial results of the Group. These periodic reviews covered the business operations performance, financial position and business proposals of the Group. The Board reviewed with Management in every board meeting and deliberated on the progress of these subject matters thereof.</p> <p>The Board has defined its Code of Conduct and Ethics. This Code of Conduct and Ethics serves as a guide to stakeholders on the ethical behaviours to be expected from the Group as well as enable the Board to convey and instil its values into the organisation.</p> <p>During the financial year, the Board has further strengthened its risk management and internal control framework by defining and implementing its Groupwide Oversight Framework in accordance with Guidelines on Conduct of Directors of Listed Corporations and their</p>

	<p>Subsidiaries issued by the Securities Commission. In this framework, the Board has defined its responsibilities with respect to the oversight on business strategy, risk management, financial and non-financial performances, and the application of governance policies and procedures at the subsidiary level as well as the responsibility of the management from the subsidiaries to support the Board in carrying out this oversight responsibility effectively.</p> <p>The Group has also defined and implemented the Anti-Bribery and Corruption Framework and Policy. The objective of this framework and policy is to provide guidance to staff members, employees and business associates in taking appropriate measures and steps to prevent involvement in bribery activities. In order to streamline with this Framework and Policy, the Board has reviewed and updated its Board Charter, Corporate Code of Conducts and Whistleblowing Policy. These updated policies have been posted on the Company's website for public reference.</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>On 17 September 2020, the Board has redesignated Encik Mohamed Akwal Bin Sultan Mohamad as the Chairman of the Board.</p> <p>The Chairman is responsible for instilling good governance practices, leadership and effectiveness of the Board through chairing of board meetings, representing the Board to shareholders, and reviewing and approving together with the Board members on board matters and policies.</p> <p>The Chairman sets the board agenda in consultation with the Management and Company Secretaries and ensures that Board members receive complete and accurate information in a timely manner.</p> <p>The Chairman will lead the Board on the conduct of the meeting and the agenda items to be discussed and encourage participation from all Board members during the Board meetings.</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 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Primarily, the role of the Board Chairman is to ensure the effective functioning of the Board while the key role of the Managing Director is to lead and manage the Group's operations and execute the decisions made by the Board.</p> <p>Currently, the roles of the Chairman and Managing Director are held by 2 different individuals. The Chairman of the Board is Encik Mohamed Akwal Bin Sultan Mohamad, an independent Non-Executive Director whereas the Managing Director is Mr Lee Chee Kiang.</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 1.4

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 assisted by two (2) qualified and competent Company Secretaries who are members of Malaysian Institute of Chartered Secretaries and Administrators. The Company Secretaries support the Board in carrying out its fiduciary duties and stewardship role and play an advisory role to the Board, particularly with regards to compliance with regulatory requirements, guidelines, legislations and the principles of best corporate governance practices.</p> <p>All Directors have unrestricted access to the advice and services of the Company Secretaries. The decisions for appointment and removal of Company Secretaries or Secretaries rest with the Board.</p> <p>The key responsibilities of the Company Secretaries are:</p> <ul style="list-style-type: none"> ● Co-ordinating with the Management and Board on the meeting agenda items and schedule; ● Co-ordinating all Board and Board committee meetings; ● Attending and recording minutes of all Board and Board Committee meetings; ● Advising the Board on the provisions in Companies Act and Main Market Listing Requirements as well as their applications with respect to the agenda discussed in the board meeting; and ● Assisting the Board and Management regarding the AGM meeting proceedings.
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	:		
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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 1.5

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>The Board understand that the supply, timeliness and quality of the information affect the effectiveness of the Board to oversee the conduct of business and to evaluate the Management’s performance of the Group. Management ensured that each Director was provided with timely notices and minutes of meeting. Board papers were circulated to the Board members prior to the Board meetings in order to provide the Board members with timely information and, to enable them to deliberate issues more effectively during the Board meetings.</p> <p>During the Board meetings, the Board reviewed and ensured that all the board agenda items were covered with proper and adequate deliberation based on information furnished by the Management. The Managing Director, Executive Directors and Management were invited to attend the Board and ARMC meetings to provide explanations to the agenda items discussed.</p> <p>Upon conclusion of each meeting, the Company Secretaries ensured that the proceedings and resolutions passed during the meeting were properly recorded. The minutes of the meetings were circulated to the Board members before the next meetings.</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 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 has defined its Board Charter setting out the roles, duties and responsibilities of the Board, Chairman, Managing Director and the Independent Directors as well as the schedule of matter on key matters reserved for the Board's approval.</p> <p>The roles, duties and responsibilities of the Board Committees, namely the Audit and Risk Management, Nominating Committee and Remuneration Committee have been defined clearly in its terms of reference respectively and to report back to the Board.</p> <p>During the financial period, the Board has reviewed its Board Charter and incorporated the following new responsibilities on the prevention of corruption:</p> <ul style="list-style-type: none">● Establish and maintain effective and adequate anti-bribery and corruption policies and procedures and whistleblowing reporting channel and seek assurance of the effectiveness of this framework;● Review the Group's corruption risk exposures periodically or when there are changes in law, circumstance of the business and/or the profile of its business associates; and● Obtain assurance that the Group's anti-corruption compliance policies and framework are adequate and effective <p>The Board has also reviewed its Code of Conduct and Ethics as well as whistleblowing policy. These updated documents are published in the Company Corporate website at http://www.eeb.com.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

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 has adopted its Code of Conduct and Ethics covering Board's values and principles to serve as a guide to stakeholders on the ethical behaviours to be expected from the Group as well as to enable the Board to convey and instil its values into the organisation. In addition, the Board has provided prohibitions on directors, officers and staff in committing abuse of power, corruption, insider trading and money laundering in this Code of Conduct and Ethics.</p> <p>As stated in Practice 2.1, the Board had reviewed its Charter, Code of Conduct and Ethics, as well as the whistleblowing policy. These updated documents are published in the Company Corporate website at http://www.eeb.com.my/.</p> <p>During the financial year, the Board has initiated a review on the Company's anti-bribery practices and procedures. Based on the result of the review, the Board has further strengthened its corporate liability preventive framework based on the provisions in the Guidelines of Adequate Procedures, by defining a new anti-bribery and corruption framework, new business partners on boarding procedure, business partners' contractual responsibilities to ensure compliance with anti-corruption regulations and declaration of compliance by internal and external stakeholders.</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

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 has established the whistleblowing policy and reporting channel. The Board has also updated the Whistleblowing Policy based on the findings and recommendations reported in the corporate liability review as mentioned in Practice 3.1.</p> <p>Stakeholders who know of, or suspects any violation of the Code may report the incidence to the ARMC Chairman by emailing to eastland@whistleblower.com.my or by posting their complaints to PO Box #911, L2- 08, Level 2, Cheras Leisure Mall, Jalan Manis 6, Taman Segar, 56100 Kuala Lumpur.</p> <p>In order to provide comfort to whistle blowers about the protection of the confidentiality of the information and identity of the reporter, the Board has assigned the administration of the whistleblowing reporting channel to the outsourced Internal Audit Function.</p> <p>During the financial period, the Board did not receive any report from these whistleblowing channels.</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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>Presently, 3 out of 7 of the Board members are Independent Non-Executive Directors. Hence, the Board composition of the independent directors is slightly below half of the Board size but the Board composition is in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad that requires a minimum of two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be Independent Directors.</p> <p>Nevertheless, the Chairman of the Board is an Independent Non-Executive Director and under the Constitution of the Company, the Chairman is conferred with the right of casting vote.</p>	
<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	:	Presently, none of the current Independent Directors have served more than nine (9) years in the Board. Accordingly, no shareholders' approval is needed to be sought for maintaining the independent directorship of these directors in the AGM.		
		The tenure of office of the respective Independent Directors are as follows.	Date of Appointment	Years of Service up to the coming AGM in November 2021
		Mohamed Akwal Bin Sultan Mohamad	15 June 2015	6 years
		Masleena Binti Zaid	15 July 2019	2 years
		Ong Lu Yuan	17 September 2020	1 year
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	:	Adopted
Explanation on adoption of the practice	:	The present Board Charter provides that when the Board intends to retain its Independent Director beyond nine (9) years, it would justify and seek shareholders' approval in the AGM. The Board will review the 2021 MCCG and consider the adoption of the two-tier voting process for retaining independent director beyond nine (9) years and update this provision in its Board Charter in 2022.

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 appointment of Board and senior management are based on objective criteria, merit and with due regards for diversity in skills, experience, age, cultural background and gender.</p> <p>The current age groups and knowledge of the existing Board and senior management are as follows: -</p> <table border="1"> <thead> <tr> <th>Age Group</th> <th>36-45 years</th> <th>46-55 years</th> <th>56-65 years</th> <th>66-75 years</th> </tr> </thead> <tbody> <tr> <td>Number of Directors</td> <td>2</td> <td>4</td> <td></td> <td>1</td> </tr> <tr> <td>Number of Senior Management</td> <td>1</td> <td>1</td> <td></td> <td></td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Independent Non-Executive Directors</th> <th>Knowledge</th> </tr> </thead> <tbody> <tr> <td>Mohamed Akwal Bin Sultan Mohamad</td> <td> <ul style="list-style-type: none"> • General Management/Business • Economic and Policy • Banking and Finance • Marketing </td> </tr> <tr> <td>Masleena Binti Zaid</td> <td> <ul style="list-style-type: none"> • Legal and Regulatory • General Management/Business • Human Resource • Main Market Listing Requirement of Bursa Malaysia Securities </td> </tr> <tr> <td>Ong Lu Yuan</td> <td> <ul style="list-style-type: none"> • Accounting/Auditing, • General Management/Business • Taxation, Banking and Finance • Economic and Policy • Engineering and Project Management </td> </tr> </tbody> </table>	Age Group	36-45 years	46-55 years	56-65 years	66-75 years	Number of Directors	2	4		1	Number of Senior Management	1	1			Independent Non-Executive Directors	Knowledge	Mohamed Akwal Bin Sultan Mohamad	<ul style="list-style-type: none"> • General Management/Business • Economic and Policy • Banking and Finance • Marketing 	Masleena Binti Zaid	<ul style="list-style-type: none"> • Legal and Regulatory • General Management/Business • Human Resource • Main Market Listing Requirement of Bursa Malaysia Securities 	Ong Lu Yuan	<ul style="list-style-type: none"> • Accounting/Auditing, • General Management/Business • Taxation, Banking and Finance • Economic and Policy • Engineering and Project Management
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Ong Lu Yuan	<ul style="list-style-type: none"> • Accounting/Auditing, • General Management/Business • Taxation, Banking and Finance • Economic and Policy • Engineering and Project Management 																								

Executive Directors	Knowledge
Dato' Lee Wai Mun (Appointed on 9 August 2021)	<ul style="list-style-type: none"> • Legal and Regulatory • Accounting/Auditing, • Technology • General Management/Business • Taxation, Banking and Finance • Economic and Policy • Marketing • Engineering and Project Management
Lee Chee Kiang	<ul style="list-style-type: none"> • Legal and Regulatory • General Business/Management • Engineering and Project Management • Banking and Finance • Economic and Policy • Marketing
Tan Chin Hong	<ul style="list-style-type: none"> • Accounting / Auditing • General Management/Business • Banking and Finance • Economic and Policy • Main Market Listing Requirements of Bursa Malaysia Securities
Derek Phang Kiew Lim	<ul style="list-style-type: none"> • Legal and Regulatory • Accounting/Auditing • General Management/Business • Taxation, Banking and Finance • Economic and Policy • Marketing • Main Market Listing Requirements of Bursa Malaysia Securities • Fundraising, Restructuring, Mergers and Acquisitions, Business Development
Senior Management	Knowledge
San Tuck Hoe	<ul style="list-style-type: none"> • Legal and Regulatory • Accounting/Auditing • Technology • General Management/Business • Taxation, Banking and Finance • Economic and Policy

		<ul style="list-style-type: none"> • Marketing • Main Market Listing Requirements of Bursa Malaysia Securities
	Eric Wee Ei-Mas	<ul style="list-style-type: none"> • Legal and Regulatory • Technology • General Management/Business • Human Resources • Banking and Finance • Economic and Policy • Marketing • Engineering and Project Management
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 in its Board Charter states and recognises that diversity provides constructive debates and enables the discussion of the same ideas in differing ways leading to better decisions. In pursuing its gender diversity agenda, the Board will ensure that women candidates are given the priority in its recruitment for board and senior management members.</p> <p>The Board has appointed Puan Masleena Binti Zaid as the Independent Non-Executive Director of the Company. Presently, Puan Masleena Binti Zaid is the chairperson of Nominating Committee as well as a member of Remuneration Committee and Audit and Risk Management Committee of the Board.</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	:	<p>In accordance with the Board Charter, when identifying the candidates for the Board and senior management, the Board will consider the recommendations from its existing Board members, management or major shareholders as well as independent sources to identify suitably qualified candidates for appointment of directors and senior management positions. The identification of candidates for directorship will be based on their skills, knowledge, professionalism, character and experience in line with the needs of the Group.</p> <p>During the financial period, the Board has appointed a new Executive Director, Mr Derek Phang Kiew Lim and Independent Non-Executive Director, Mr Ong Lu Yuan.</p> <p>Formerly, Derek was an external consultant engaged by the Company. The Board and Nominating Committee has evaluated his appointment based on his past performance in assisting the Company on corporate finance matters when he was engaged as a consultant by the Company as well as the needs of the Board presently to have a member who has the experience and skill-sets in managing and overseeing the corporate exercises that the Company is undergoing.</p> <p>On the other hand, in evaluating Mr Ong's appointment, the Nominating Committee had also considered his past experiences, qualification and professional skills, the needs of the Board and Company presently to have an independent board member with finance and accounting background to fill the vacancy of Chairman of the Audit and Risk Management Committee. Mr Ong is a Fellow Member of the Chartered Accountant in England and Wales.</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

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 Nominating Committee is chaired by Puan Masleena Binti Zaid who is an Independent Non-Executive 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>All Board members conducted self-assessment and peer review and provided their feedback, views and suggestions for improvement annually. The results of these annual evaluation were compiled and tabled to the Nominating Committee for review and deliberation.</p> <p>The principal considerations of the Board, Board Committees and Directors performance evaluation covered:</p> <ol style="list-style-type: none"> 1) Board and Board Committees Evaluation – covers evaluation on board mix and composition, quality of information and decision making, boardroom activities, and board’s relationship with the management; 2) Assessment of Character, Experience, Integrity, Competence and Time Commitment; 3) Assessment on Mix of Skill and Experience – including identification of training needs of each Director; 4) Evaluation of Level of Independence of a Director; 5) Audit and Risk Management Committee (“ARMC”) Evaluation – covers quality and composition of ARMC, skills and competencies and meeting administration and conduct; and 6) ARMC Members’ Self and Peer Evaluation. <p>The Board was satisfied with the overall performance effectiveness of the Board, Board Committees and individual directors and the independence of Independent Directors.</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 6.1

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>Broadly, the remuneration policy of the Board provides that:</p> <ul style="list-style-type: none"> The remuneration of the Executive Directors shall be determined based on the individual's and Group's performance, the market conditions and trends, industry practice and responsibilities of the Executive Directors. The remuneration of the Non-Executive Directors shall be determined in accordance with their experience and the level of responsibilities assumed in the Board Committees, their attendance, special skills and expertise they bring to the Board. <p>This Policy is incorporated in the Board Charter which is available in the corporate website at http://www.eeb.com.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

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 established its Remuneration Committee. The present members of the Remuneration Committee are as follows and comprise fully of Independent Directors:</p> <p><u>Chairman:</u> Mohamed Akwal Bin Sultan Mohamad</p> <p><u>Members:</u> Masleena Binti Zaid</p> <p>Ong Lu Yuan</p> <p>The terms of reference of the Remuneration Committee and the Board policy on remuneration which is stated in the Board Charter are disclosed in the Company's website. The remuneration of the Executive Directors and Non-Executive Directors were reviewed and recommended by the Remuneration Committee to the Board for approval. All Directors shall abstain from discussions and decisions on their own remuneration.</p> <p>The Remuneration Committee conducted meeting to review the remuneration of Managing Director and Executive Directors and the fees and benefits payable to Independent Non-Executive Directors. Recommendations made in the meeting were tabled in the Board meeting.</p> <p>The total approved amount of Director fees and benefits payable from 3 September 2020 to the upcoming annual general meeting was RM650,000.</p>

	The details of the Board members' remunerations are presented in the next 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

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	:	All remuneration received as at 30 June 2021 by Directors are paid from the Company. None of the Board members received remuneration from subsidiaries of the Company.					
		Group and the Company	Directors' Fees	Meeting Allowances	Salaries	Other Emoluments	Benefits-in-Kind
			(RM)	(RM)	(RM)	(RM)	(RM)
		Lee Chee Kiang	-	-	630,000	76,985	-
		Dato' Lee Wai Mun (Appointed on 9 Aug 2021)	-	-	-	-	-
		Tan Chin Hong	-	-	324,000	40,265	8,800
		Phang Kiew Lim	-	-	353,700	43,937	-
		Eric Wee Ei-Mas (Resigned as Executive Director on 9 Aug 2021)	-	-	270,000	33,785	-
		Mohamed Akwal Bin Sultan Mohamad	108,000	13,200	-	-	-
		Ong Lu Yuan (Appointed on 17 Sep 2020)	56,800	6,600	-	-	-

	Masleena Binti Zaid	107,166	13,200	-	-	-
	Total	271,966	33,000	1,577,700	194,972	8,800
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 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	:	Applied	
Explanation on application of the practice	:	During the financial period, Mr. San Tuck Hoe, the Financial Controller, is the only top senior management, who report to the Managing Director and Executive Directors. His annual remuneration is within the range of RM200,000 to RM250,000.	
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 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 members of ARMC comprise fully Independent Non-Executive Directors. The Chairman of the ARMC is Ong Lu Yuan 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	:	None of the members of the ARMC are former audit partners of the current external audit firm of the Group. The ARMC is mindful of the minimum two (2) years cooling off period best practice under the MCCG when considering the appointment of former key audit partner from its current external audit firm.	
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>The present External Auditors has been appointed since the financial year 2008. Nonetheless, the External Auditors practise a 7-year engagement partner rotation policy.</p> <p>The ARMC had reviewed the appointment, performance and remuneration of the External Auditors before recommending them to the Board for seeking shareholders' approval at the forthcoming AGM for reappointment.</p> <p>The ARMC had defined its policy on evaluation of External Auditors. In assessing the External Auditors, the ARMC considered the adequacy of resources of the firm, timeliness of services and qualifications of the staff assigned to the audit as well as the auditors' independence and fee.</p> <p>The ARMC had conducted meetings with the External Auditors without the presence of the Executive Directors and employees of the Group. As part of the ARMC review processes, the ARMC also obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</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	:	The Board has established an effective and independent ARMC. As reported in Practice 8.1, the members of ARMC continue to comprise fully Independent Non-Executive Directors. Also, the Chairman of the Audit Committee is not the Chairman of the Board.

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Collectively, the ARMC possesses a wide range of skills to discharge its duties and majority of its members are financially literate and are able to understand matters under the purview of the ARMC including the financial reporting process.</p> <p>While not all ARMC members had attended professional development on accounting and auditing standards, practices and rules, based on the annual board committee assessment, the Board is satisfied with the performance of the ARMC and its individual members in discharging their duties in accordance with the ARMC's terms of reference.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	All members of ARMC will undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules in the future
Timeframe	:	On-going

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 defined the Group Risk Policy which outlined the principles of risk management; the Board's and management's risk management responsibilities; and the risk management objectives. The responsibilities for the execution of business plan and control, and monitoring of risks are led by all Executive Directors and the Financial Controller. When deliberating the business agenda during the Board and ARMC meetings, both the Board and senior management members will jointly evaluate the risks and impacts involved in the agenda as well as the effectiveness and adequacy of action plans to manage the identified risks.</p> <p>The Covid-19 pandemic has adversely affected the global and domestic economy and posed financial liquidity risk and uncertainties to many businesses. The Group's businesses, being primarily in the hospitality, property development and investment property, have been directly affected by the pandemic and the different scales of the Movement Control Orders implemented in the States where the Group has business establishment as well as the restrictions of interstate and inter-district travels and prohibition of business gatherings and events.</p> <p>In order to manage the impact of pandemic, the Group has adopted the following strategies to ensure adequate cash flow for sustaining the Group's existing businesses and to explore and develop future business opportunities:</p> <ul style="list-style-type: none">i. Issuance of new shares by way of private placement;ii. Negotiation of repayment terms with creditors;iii. Further tightening on cost control measure;iv. Retaining key tenants and securing new prospects for the investment properties; andv. Reprioritising the plans for development projects in accordance to the new market environment. <p>The Board has received assurance from the Managing Director, Executive Director and the Financial Controller that the Group's risk management and internal control systems are adequate and effective, in all material aspects.</p>

	<p>During the financial period, the Board has further strengthened its risk management and internal control framework by defining and implementing its Groupwide Oversight Framework in accordance with Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries issued by the Securities Commission. In this framework, the Board has defined its responsibilities with respect to the oversight on business strategy, risk management, financial and non-financial performances, and the application of governance policies and procedures at the subsidiary level as well as the responsibility of the management from the subsidiaries to support the Board in carrying out this oversight responsibility effectively.</p> <p>The Group has also defined and implemented the Anti-Bribery and Corruption Framework and Policy. The objective of this Anti-Bribery and Corruption Framework and Policy is to provide guidance to staff members, employees and business associates in taking appropriate measures and steps to prevent involvement in bribery activities. In order to streamline with this Framework and Policy, the Board has reviewed and updated its Board Charter, Corporate Code of Conduct and Ethics and Whistleblowing Policy. These updated policies have been posted on the Company's website for public reference.</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 9.2

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	:	<p>The Board has put in place a Group Risk Policy which covers the risk management responsibilities of the Board and management. Other features of the Group's risk management and internal control framework, the review process by the Board and ARMC, the key internal controls and new updates thereof are presented in the Statement on Risk Management and Internal Control of the Annual Report.</p> <p>The Board has also commented in the said statement that they are satisfied with the effectiveness and adequacy of the existing level of systems of risk management and internal control and to these effects also received assurance from the Managing Director, Executive Director and the Financial Controller.</p> <p>The Board wishes to advise that systems of risk management and internal control are designed to manage risks to a reasonable level rather than to eliminate the risk of failure to achieve the Group's business objectives. Therefore, these systems could only provide reasonable and not absolute assurance against material misstatement or financial losses or fraud.</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

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	:	Adopted
Explanation on adoption of the practice	:	As mentioned in Practice 9.1, the ARMC is entrusted by the Board to oversee the risk management framework in the Group. This Committee comprises fully Independent Non-Executive Directors

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 Company had outsourced its internal audit function to a third-party internal audit firm. The Internal Auditors has conducted their work based on the broad principles of the International Professional Practice Framework of the Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders on the audit concerns.</p> <p>Functionally, the Internal Auditors reports to the ARMC directly and is responsible for conducting periodic review and assessment on governance, risk management and internal controls of the Group in order to provide reasonable assurance on the efficiency and effectiveness of the system.</p> <p>The ARMC reviewed and approved the scope of work of the Internal Auditors to ensure that the audit direction is appropriate and remains relevant taking into consideration any changes in the present Group's operating environment.</p> <p>When reviewing the Internal Audit reports, the ARMC will consider the impact of the audit issues and assess whether management has provided their comments appropriately and their commitment to the audit recommendations.</p> <p>Private session with the Internal Auditors will be held without the presence of management by the Audit Committee, if needed to allow the Internal Auditors to exchange their views freely with the Audit Committee.</p> <p>Details on the internal audit activities carried during the period are reported in the ARMC Report on page 27 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 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 Company had outsourced its internal audit function to a third-party internal audit consulting firm, IA Essential Sdn Bhd.</p> <p>The internal audit function is headed by a manager and supported by a team of audit executives who are accounting graduates. The Manager in charge is Chen Pei Ping, an Associate Member of the Institute of Internal Auditors Malaysia and accounting graduate.</p> <p>In discharging her responsibilities, she reports to and is guided by Mr. Chong Kian Soon who is the Director of the firm overseeing the engagement. Kian Soon is a member of Chartered Accountants Australia and New Zealand, the Malaysia Institute of Certified Public Accountants and the Institute of Internal Auditors Malaysia.</p> <p>The Internal Auditors have conducted their work based on the broad principles of the International Professional Practice Framework of the Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders on the audit concerns.</p> <p>In order to ensure the objectivity, independence and no conflict of interest in the work of the Internal Auditors, the ARMC reviews the conduct and work performed by the Internal Auditors including their participation in the preparation of the statements disclosed in the Company Annual Report.</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 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>Information and communication are important for keeping shareholders and investors informed of the Group's business and corporate developments. At Eastland, the corporate development and financial performance information of the Group is communicated to the investors via the Company's annual reports and through various periodic and on-going disclosures made to Bursa Securities.</p> <p>In addition, the Group maintains a website at http://www.eeb.com.my/ where shareholders or investors may access information on the Group under "Investor Relations" link encompassing corporate information, latest financial results, annual reports, announcements to Bursa Securities as well as the various governance policies covering Board Charter, anti-bribery and corruption policy, whistleblowing policy and procedures, Code of Conduct and Ethics and Board Committees' terms of reference.</p> <p>Shareholders and investors are also encouraged to interact and provide feedbacks to the Chairman or Managing Director accordingly for their concerns during the general meetings.</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 11.2

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	:	The Company is not a large company. Nonetheless, the Company has reported its Sustainability Statement on pages 19 to 26 in the 2021 Annual Report.	
<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 12.1

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	:	<p>In order to promote shareholders' participation and engagement with the Board and senior management effectively in the AGM, the Board would ensure that the Notice of the AGM is sent to shareholders at least 28 days ahead of the date of general meeting. In addition, the Board would also ensure that this Notice contains details of resolutions proposed along with background information and explanatory notes that are relevant.</p> <p>By doing so, shareholders will have sufficient time to prepare and consider the resolutions that will be discussed and decided at the AGM and will be able to make informed decision when exercising their voting rights.</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 12.2

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>General meetings empower shareholders to exercise their rights. In the general meeting, shareholders are provided with the opportunity to participate in the question-and-answer session where they can raise questions regarding the proposed resolutions and matters relating to the Group's businesses and affairs.</p> <p>All Board members have attended the last AGM. Summary of the matters discussed in the AGM was announced to the Bursa Securities and published in the Company's corporate website.</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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The last AGM was able to be held on 3 September 2020 physically in Kota Bharu when the movement control order was lifted.</p> <p>Shareholders who were unable to attend the last AGM have appointed proxies to attend and vote on their behalf.</p> <p>In compliance with Paragraph 8.29A(1) of the MMLR, all resolutions set out in the Notice of AGM were put to vote by poll. The Company also appointed an independent scrutineer to validate the vote cast in the AGM. The outcome of the AGM was announced to Bursa Securities on the same meeting day.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The coming AGM shall be held virtually.
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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