

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 6815  
**COMPANY NAME** : EUPE CORPORATION BERHAD  
**FINANCIAL YEAR** : February 28, 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") is responsible for the stewardship of the Company's business and affairs, overseeing the Group's strategies, business performance and the Management's conduct, ensuring the adequacy of internal control and risk management systems in place, with a view to deliver long-term sustainable value to the shareholders and other stakeholders.</p> <p>Whilst the Board delegates the implementation of the Company's strategies to the Management, the Board sets appropriate tone at the top, providing thought leadership and championing good governance and ethical practices across the organisation.</p> <p>To ensure the effective discharge of its functions and responsibilities, the Board has delegated specific responsibilities to the Board Committees namely Risk Management and Audit Committee ("RMAC"), Nomination Committee ("NC") and Remuneration Committee ("RC") which operate within their respective Terms of Reference. On 27 April 2023, the Board merged the NC and RC into a single Board Committee known as Nomination and Remuneration Committee ("NRC"), aimed at improving the efficiency and effectiveness of the Board Committee in discharging its duties. The Board Committees report to the Board on matters considered and their recommendations thereon. The ultimate responsibility for decisions on all matters lies with the Board.</p> <p>The Board is actively involved in developing Group's strategies, taking into consideration of sustainability matters such as economic conditions, environmental impact, social issues and corporate governance, to ensure the creation of the Group's long-term value and oversee the implementation and performance of those strategies.</p> <p>The Group Managing Director ("Group MD") is responsible for managing the day-to-day operations of the Group, including the implementation and execution of strategic plans, Group policies and</p>

decisions of the Board with the support from the Chief Financial Officer (“CFO”) and other Senior Management which consists of Head of Department (“HOD”) of various functions as well as Head of Business Unit (“HBU”).

The Board meetings are held at least five (5) times for each financial year and the CFO, HOD and HBU are invited to the meetings to update the Board on various issues and provide clarification, if necessary. During the financial year ended 28 February 2023 (“FY2023”), the CFO updated the Board on the Group’s financial performance for each reporting period as well as all corporate development related matters, whilst the Group MD together with the Director of Property Development and Senior General Manager of Projects updated the Board on the Group’s operating performance, in particular the progress of the Central Region development projects, the challenges faced and the key initiatives taken by the management team as to navigate the challenges, as well as the Cinta Sayang Resort’s General Manager and Director of Finance updated the Board on the marketing strategy of Cinta Sayang Resort.

The Board, through the NRC, develops objective criteria which is in line with the Group’s key strategies, for evaluating the performance of Key Senior Management (including Group MD and Executive Directors) (“KSM”). Besides, lots of efforts are put in place to develop the necessary skill sets and experience of the KSM team towards leadership roles. The robust performance evaluation and skill sets development for KSM are crucial for the Group’s succession plan.

An authority matrix has been established by the Board via a framework of authority and accountability for governance, statutory requirements and policies, capital investments, operational, financial and human resource matters. The highest level of authority resides with the Board. Following the Board, the Group MD has the greatest authority. Notwithstanding that, the Board ensures that the delegation of authority, with sound commercial principles and consistent with the Company’s usual business arrangements, is in conformity with the Companies Act 2016 (“CA 2016”), Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and in good faith and the best interest of the Company.

The Board recognises the importance of taking a calculated risk by determining the risk appetite as well as managing them. The Board has embraced Enterprise Risk Management (“ERM”) through the conduct of risk assessment within the Group that seeks to create a top-down holistic view of enterprise-wide risks that might impact the Group business strategic objectives. The implementation of the ERM framework and internal control system is delegated to the Senior Management while the RMAC is responsible with the oversight, including the review of adequacy and effectiveness of the ERM framework and internal control system. An annual assessment of ERM

	<p>framework is performed by the RMAC to ascertain its effectiveness in protecting the Group's assets and shareholders' interest.</p> <p>The Board also places considerable amount of importance on embracing organisational wide integrity and ethical values. The same has applied to the Company's financial and non-financial reporting which the Board is determined to ensure accuracy, reliability, timeliness, transparency and compliance with the relevant standards.</p> <p>The Board has in place a Board Charter which serves as a source of reference and primary guide to the Board in discharging their duties effectively. The Board Charter sets out the roles and responsibilities of the Board, Board Committees, individual Directors and management, board reserved matters, board structure and composition, authority and obligation of Directors. The Company's Board Charter is available on the Company's website at <a href="https://www.eupe.com.my/investors">https://www.eupe.com.my/investors</a>.</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

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 Chairman of the Board is responsible for instilling and implementing good corporate governance practices, leadership and effectiveness of the Board. The roles and responsibilities of the Chairman have been specified in the Company's Board Charter, which include, among others:</p> <ul style="list-style-type: none"><li>▪ ensures the Board is fully engaged in determining the Group's strategies and policies, and making sure every Board's decision are made in the best interest of the Group and fairly reflected the Board's consensus;</li><li>▪ manages the interface between the Board and Management;</li><li>▪ presides the Board and shareholders' meetings and ensure the meeting proceedings comply with good conduct and practices;</li><li>▪ facilitates the effective communication of all Board members to ensure that no Board member dominates discussion and that fruitful discussions take place as well as all opinions among members are being heard;</li><li>▪ encourages active participation of Board members and ensure opposing views are freely expressed among the Board members. This includes ensuring all the Board members are supplied with meeting materials in timely manner, issues discussed during meetings are sufficiently briefed through and presented and Board members are allowed to have reasonably sufficient time for extensive deliberation of key issues; and</li><li>▪ ensures effective communication with stakeholders and that their views are communicated to the Board as a whole.</li></ul> <p>The Board was led by Datuk Tan Hiang Joo, the Independent Non-Executive Chairman of the Company, setting the right tone from the top and ensuring the effective operation and functioning of the Board focusing on strategy, governance and compliance.</p> <p>In line with the enhanced MMLR of Bursa Securities which limit the tenure of an Independent Director to not more than 12 years effective 1 June 2023, Datuk Tan Hiang Joo, who has served the Board for a cumulative period of more than 20 years, had on 27 April 2023 resigned as Independent Non-Executive Chairman of the Company. In replacement thereof, the Board has appointed Encik Alfian Bin Tan Sri Mohamed Basir as the new Independent Non-Executive Chairman</p>

	<p>effective 27 April 2023 to assume the position as the Board Chairman of the Company.</p> <p>Effective 27 April 2023, the Company had also re-designated Encik Iskandar Abdullah @ Sim Kia Miang as Senior Independent Non-Executive Director, whose roles and responsibilities as set out in the Company's Board Charter include, among others:</p> <ul style="list-style-type: none"> <li>▪ acts as a sounding board for the Chairman;</li> <li>▪ serves as an intermediary for other directors when necessary; and</li> <li>▪ acts as point of contact for shareholders and other stakeholders particularly on concerns which cannot be resolved through the normal channels of the Chairman or Group MD.</li> </ul>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### Intended Outcome

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

### Practice 1.3

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 positions of Chairman and Group MD are held by different individuals to ensure a balance of power, authority and accountability and that no one individual has unfettered powers of decision and control.</p> <p>Datuk Tan Hiang Joo was the Chairman of the Board during the financial year under review, responsible for the leadership, effectiveness, conduct and governance of the Board. He led the Board in its collective oversight of management focusing on strategy, governance and compliance.</p> <p>Whereas the position of Group MD is held by Dato' Beh Huck Lee. He manages the day-to-day operations of the Group, ensures effective implementation of the Group's policies, strategies and decisions adopted by the Board, exercises high level of business judgment and manages the relationships with stakeholders and the interface with the public.</p> <p>The respective roles and responsibilities of Chairman and Group MD are articulated in the Board Charter of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 1.4

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> :	<p>The Board is aware that having the same person to assume the positions of Chairman of the Board and member of the Board Committees may give rise to the risk of self-review and may impair the objectivity of the Chairman and the Board when deliberating the observations and recommendations put forth by the Board Committees.</p> <p>Accordingly, during the FY2023, Datuk Tan Hiang Joo, being the then Chairman of the Board had on 27 October 2022 relinquished his position as the Chairman of the RC to ensure check and balance as well as objective review by the Board. He was also not invited to participate in any of the committees' meetings or decision-making process of these committees.</p> <p>Whereas the newly appointed Board Chairman, Encik Alfian Bin Tan Sri Mohamed Basir did not hold any membership in the Board Committees of the Company. He will not be invited or participated in any meeting of the Board Committees by way of invitation or in any other capacity.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	



## Intended Outcome

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

## Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by three (3) Company Secretaries, who are qualified to act as company secretary under Section 235(2) of the Companies Act 2016 ("CA 2016"). All of them are Associate Members of The Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). The Company Secretaries constantly keep themselves updated of the regulatory changes and developments in company law, Listing Requirements and corporate governance, and have been attending relevant continuous professional development programmes organised by MAICSA, Companies Commission of Malaysia, Bursa Malaysia Securities Berhad etc.</p> <p>The Company Secretaries play an advisory role to the Board, particularly in relation to the Company's Constitution, Board policies and procedures and its compliance with corporate disclosures, regulatory requirements and advocate for the adoption of corporate governance best practices. The Board is regularly updated and advised by the Company Secretaries on the statutory and regulatory requirements as well as corporate governance best practices to enable them to discharge their duties and responsibilities effectively. All Directors have unrestricted access to the advice and services of the Company Secretaries.</p> <p>Apart from ensuring compliance with the statutory requirements, the Company Secretaries also attended all Board and Board Committees meetings as well as the Company's general meetings held during the FY2023 and ensured that deliberations and resolutions passed are accurately and properly documented. In addition, the Company Secretaries worked closely with the Group MD and the CFO to ensure timely and appropriate information flows within the Board and Board Committees, and between the Non-Executive Directors and KSM.</p> <p>The details of roles and responsibilities of the Company Secretaries are set out in the Company's Board Charter.</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

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>The Board meets on a quarterly basis to review and approve the financial, operational and business performance of the Group. Additional meetings will be convened on an ad-hoc basis, to consider urgent proposal or significant matters that require the Board's expeditious deliberation and decision if deemed fit.</p> <p>During the FY2023, the Board and the RMAC both had five (5) meetings whilst the NC and the RC had four (4) meetings and three (3) meetings respectively. The Board Committees meetings are not combined with the Board meeting to enable objective and independent discussion. The RMAC meeting is held one day before the Board meeting to ensure adequate time for thorough discussion between the RMAC and the Management on financial results, operational issues, internal control, corporate governance and audit-related matters before making any recommendation to the Board.</p> <p>To facilitate the Directors' time planning, an annual meeting calendar is distributed and tabled at the Board meeting in advance of each new financial year. The calendar provides Directors with scheduled dates for meetings of the Board, Board Committees, and the Annual General Meeting ("AGM") as well as the closed periods for dealings in securities by Directors and principal officers based on the targeted dates of announcements of the Group's quarterly results.</p> <p>Directors are furnished with notices of meetings and meeting materials containing the relevant information to be deliberated at least five (5) business days prior to the meetings. This is to accord sufficient time for the Directors to review, consider and obtain further information or seek clarification from the KSM or the Company Secretaries on the matters to be deliberated at the meeting, if required. Comprehensive reports comprising a balance of financial and non-financial information, corporate investments and strategic development, operational and sustainability matters, governance and regulatory issues are customarily enclosed as accompanying materials.</p> <p>Board and Board Committees' meetings proceedings are well-documented by the Company Secretaries. The minutes of meetings that record the proceedings, including key deliberations, decisions made, conclusions and rationale for each decision as well as matters where</p>

	Directors abstained from deliberation and voting, and concerns or dissenting views, if any, are circulated to the Board and Board Committees within a month after the meeting for review. Thereafter, the meetings' minutes are tabled and confirmed by the Board or Board Committees at the subsequent meetings.	
<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 functions of the Board are governed and regulated by the Company's Board Charter which serves as a primary guideline and part of the induction literature, providing insights to prospective and existing Board members of their fiduciary duties as Directors of the Company and the functions of each Board Committee. It provides an overview of how the Board leads by strategic guidance and effective oversight in managing the Company.</p> <p>The Board Charter covers, among others, the following:</p> <ul style="list-style-type: none"><li>▪ Roles and responsibilities of the Board and Board Committees</li><li>▪ Board structure and composition</li><li>▪ Roles and responsibilities of Chairman, Group MD, Executive and Non-Executive Directors, Senior Independent Director and Company Secretary</li><li>▪ Relationship with shareholders and stakeholders</li><li>▪ Board processes and board meetings</li><li>▪ Authority to access to information or seek independent advice</li><li>▪ Directors' Remuneration</li><li>▪ Assessment of the Board, Board Committees and individual Directors</li><li>▪ Matters reserved for the Board</li></ul> <p>In order to ensure that the direction and control of the Group is firmly in the Board's hands and have an oversight of management, the Board reserves a formal schedule of matters for its decision.</p> <p>The Board Charter is subject to review by the Board as and when necessary to ensure it complies with all applicable laws, rules and regulations and remains consistent with the Board's objective in the discharge of its responsibilities.</p> <p>The Board Charter was last updated on 27 April 2023. It is accessible on the Company's website at <a href="https://www.eupe.com.my/investors">https://www.eupe.com.my/investors</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>The Board acknowledges its leadership role in creating ethical values and observing ethical conduct. The Board has established a Group-wide Code of Conduct and Ethics which provides guidance to Directors, management and employees to deal with ethical issues and provides mechanism to report unethical conducts fostering a culture of honesty and accountability.</p> <p>The Code covers, among others, the following matters:-</p> <ul style="list-style-type: none"><li>▪ Compliance with applicable laws, rules and regulations</li><li>▪ Conflict of interest</li><li>▪ Confidentiality of information</li><li>▪ Safeguarding Company's properties</li><li>▪ Company's funds and business records</li><li>▪ Giving and receiving gifts and gratuities</li><li>▪ Preventing corruption and offering a bribe</li><li>▪ Ethics for Intellectual Properties Rights</li><li>▪ Safety, Occupational Health and Environment</li><li>▪ Religious / Racial / Sexual Discrimination</li><li>▪ Outside activities and interest</li><li>▪ Fair and courtesy inter-personal conduct</li><li>▪ Dishonesty, misconduct and corrupt practices</li><li>▪ Money laundering and terrorism financing</li><li>▪ Abuse of power</li></ul> <p>The principles of the Code of Conduct and Ethics are based on sincerity, integrity, responsibility and corporate social responsibility and it is periodically reviewed by the Board to ensure it remains relevant. All Directors, management and employees within the Group shall observe and maintain high standards of integrity and ethical behaviour in the performance of their duties and responsibilities.</p> <p>Any employee who knows of any suspected contravene or violation of the Code shall report the matter in accordance with the Company's Whistleblowing Policy.</p>

	<p>The Code and the Whistleblowing Policy are available on the Company's website at <a href="https://www.eupe.com.my/investors">https://www.eupe.com.my/investors</a>.</p> <p>In line with the corporate liability provision under Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Board had put in place an Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") which sets out rules and providing guidance to Directors, KSM, employees and business associates 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>In order to ensure the scope, policies, procedures and control of the ABAC Policy match to the bribery and corruption risks faced by the Group, regular assessment of the anti-bribery management is carried out by the KSM. The result of corruption risk assessments will be reviewed by the RMAC and the Board to ensure the continuity and effectiveness of the ABAC Policy, and all related policies and procedures of the Group.</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 3.2

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>The Board had established a Whistleblowing Policy which seeks to contribute to an environment where a high standard of integrity, accountability and ethical behaviour are maintained in the conduct of the Group's businesses and operations.</p> <p>The Whistleblowing Policy provides an avenue for all employees, suppliers, customers, shareholders and other stakeholders to raise genuine concerns about any suspected fraud, malpractices, illegal acts, improper conduct, corruption and other acts or omissions which are against the interest of the Group.</p> <p>The Board Chairman and the RMAC Chairman are designated to investigate and address all reported cases and recommend action to be taken (if any). The policy underscores the Group's commitment to developing a culture of openness and honesty, where a person who is aware of a potential malpractice or misconduct is encouraged to report such matter in good faith, without fear of reprisal.</p> <p>During the FY2023, no whistleblowing report was received by the Chairman of the Board nor the RMAC Chairman.</p> <p>The Whistleblowing Policy is made available on the Company's website at <a href="https://www.eupe.com.my/investors">https://www.eupe.com.my/investors</a>.</p>
<b>Explanation for departure</b>	:	
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<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 Group's sustainability efforts are underpinned by the 3 key pillars, namely environmental, social and governance ("ESG"). The Board holds ultimate responsibility in ensuring the Group's strategy supports long-term value creation for the stakeholders and the community at large.</p> <p>To achieve the Group's sustainability strategies, the Board is accountable for ensuring that sustainability is integrated into the strategic direction and operation of the Group.</p> <p>A Sustainability Steering Committee ("SSC") comprising the Group MD, CFO and KSM from various departments was established to oversee the implementation of sustainability initiatives, including matters related to sustainability reporting. The sustainability initiatives and activities are driven by the Sustainability Working Committee which consists of representatives from various departments such as finance, human resources &amp; admin, design, sales &amp; marketing, construction, project, contract &amp; quantity survey, business affairs and etc.</p> <p>The Company published its Sustainability Report in its Annual Report. The Sustainability Report encompassing the Group's on-going sustainability efforts, targets and achievements for each financial year as well as the various endeavours of the Group to uphold good and consistent ESG practices.</p> <p>The Sustainability Report is embedded in the Annual Report 2023 and is available on the Company's website at <a href="https://www.eupe.com.my/sustainability">https://www.eupe.com.my/sustainability</a>.</p>
<b>Explanation for departure</b>	:	

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<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>	<p>In order to achieve the Company's vision – to become the most trusted brand in every sector in which the Group operate, the Group has established a robust sustainability framework which provides support to the existing <i>Sustainability Plus</i> approach, comprising 2 main principles being – Sustainable Eco-Design and Building Strong Communities. These principles are applied in the Group's building design and construction as well as in the governance and management of the Group's business operations.</p> <p>Besides, the Group is committed to contribute positively towards achieving the United Nations Sustainable Development Goals ("Goals") consist of 17 global goals which are outlined in The 2030 Agenda for Sustainable Development. The Goals are ambitious and wide-reaching, representing the United Nations' sustainable development targets for both the private and public sector. During the FY2023, the Group has adopted 3 new Goals that reflect the sustainability objectives of the Group that has developed in the Sustainability Plus strategy which align with the Group's business operations and capabilities. Total of 8 Goals that the Group committed to are:-</p> <ul style="list-style-type: none"><li>▪ Goal 3 : Good Health and Well-being</li><li>▪ Goal 8 : Decent work and economic growth</li><li>▪ Goal 9 : Industry, innovation and infrastructure</li><li>▪ Goal 10 : Reduced inequalities</li><li>▪ Goal 11 : Sustainable cities &amp; communities</li><li>▪ Goal 12 : Responsible consumption and production</li><li>▪ Goal 13 : Climate action</li><li>▪ Goal 16 : Peace, Justice and Strong Institutions</li></ul> <p>The Group endeavours to keep an open line of communication with its stakeholders to manage and address their interests, expectations and concerns. In communicating the sustainability matters, various types of stakeholders' engagement are adopted, depending on the target stakeholders such as corporate magazine, dialogue and discussion with government and other planning authorities, town hall meetings with employees, social media engagement and email communications with interested customers or buyers, relations and engagement with community cultural groups, AGM and etc. Key sustainability matters are identified with the materiality assessment. On yearly basis, the Group's</p>

	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 Report of the Company's Annual Report.	
<b>Explanation for departure</b>	:	
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<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.

<p><b>Application</b></p>	<p>: Applied</p>
<p><b>Explanation on application of the practice</b></p>	<p>Sustainability Key Performance Indicators ("KPIs") were established and continuously monitored with the objective of providing clear, specific and measurable information to track the Group's year-on-year ESG performance. 4 specific KPIs that focused by the Group are outlined below:</p> <ul style="list-style-type: none"> <li>1) Customer satisfaction and quality</li> <li>2) Employee development</li> <li>3) Waste reduction</li> <li>4) Energy and resource consumption</li> </ul> <p>Besides, a materiality assessment was established which acts as a guideline for the Group's sustainability strategies and decision-making. It also allows the Board to stay abreast with and understand the sustainability issues which are relevant to the Group and its business, including climate-related risks and opportunities.</p> <p>Eupe's Materiality Matrix for FY2023 covers a wide range of material matters which can be narrowed down to 4 main categories – Governance, Economic, Social and Environmental.</p> <p>Under the "Governance" pillar, the Board is committed to uphold high standards of corporate governance, focus on transparency and anti-corruption, regulatory compliance, and data privacy and security. The Board are adhered to all the law and regulations including ABAC, CA 2016, etc. in reducing the risk of financial losses to the Group resulted from fines and penalties as well as strict protection over the personal information of the customers and employees.</p> <p>The Board acknowledged the "Economic" aspect of sustainability and aims to achieve financial and economic success, as well as provide employment security for the Group's employees. The Group continues to create and share value with all the stakeholders by providing affordability products with high quality.</p> <p>The Group aims to reduce environmental footprint from all its business activities including establish environmental-friendly projects, efficient use of materials and resources, waste management at the site, promotes energy efficient and lower water consumption.</p>

	<p>In view of the increased interest from stakeholders and regulators on matters relating to sustainability, the Group will continue to engage with its stakeholders and explore further improvement in conducting the business in a more sustainable manner. The Group is committed to responsible supply chain, improve customer satisfaction, employee engagement and staff diversity, health and safety as well as community outreach activities during the year. 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>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### Intended Outcome

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>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges the importance of the achievement for sustainability and such objective is included as part of the KPIs for the Executive Directors and KSM for their annual performance bonus.</p> <p>The Board’s annual evaluation for FY2023 took into consideration the performance of the Board in addressing the Group’s material sustainability risks and opportunities in general.</p> <p>Notwithstanding that, the performance of Executive Directors and KSM are linked to the Group’s sustainability efforts including their efforts and contribution to achieve long-term economic objectives through advancing robust corporate governance, launching of affordable housing without compromising the quality and design, reduction in generating waste, lower water and electricity consumption on site, promotes product quality, customer satisfaction, employee engagement and community outreach activities.</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 4.5- 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 NRC is entrusted by the Board to annually review the effectiveness of the Board and Board Committees in fulfilling its roles and responsibilities, as well as assessing the performance and contribution of each individual Director.</p> <p>The NRC is also tasked to review the tenure of each Director and assess the contribution and performance of Directors who are due for retirement, the overall balance of knowledge, skills, experience and diversity of the Board, and if the retiring Directors meet the fit and proper criteria set out in the Company's Directors' Fit and Proper Policy, adopted by the Board on 28 April 2022, before recommending the re-election of the retiring Directors to the Board for shareholders' approval.</p> <p>In FY2022, in considering the recommendation of Dato' Beh Huck Lee, Encik Iskandar Abdullah @ Sim Kia Miang and Madam Beh Yeow Seang for re-election as Directors, the NC had reviewed and assessed their qualification, experience and contribution to the Board. The evaluation results were satisfactory. The NC then recommended the re-election of the aforesaid Directors to the Board and subsequently to the shareholders for approval at the 26<sup>th</sup> AGM of the Company held on 25 August 2022.</p> <p>In respect of FY2023, the NC had in April 2023 conducted an annual assessment evaluating the performance of the Board, Board Committees and individual Directors for the 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>	:	

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

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

### Intended Outcome

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

### Practice 5.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As of 28 February 2023, the Board has eight (8) Directors, of whom five (5) are Independent Non-Executive Directors (“INED”), representing 62.5% of the total Board members. Their presence provides necessary checks and balances on the Board’s decision-making process through objective participation in Board deliberations and the exercise of unbiased and independent judgement, taking into consideration the interest of the Group, stakeholders and shareholders. No politician is appointed to the Board as at the date of this report.</p> <p>The Independent Directors are not involved in the day-to-day business conduct of the Group, and do not have any other relationship with the Group which could materially interfere with the exercise of their independent judgement.</p> <p>A Directors’ Independence Policy was put in place by the Board which acts as guidance and governance to the Independent Directors and their objectivities.</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 5.3

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>	:	<p>The Board and the NRC acknowledge that shareholders' approval through a two-tier voting process is required to retain an Independent Director, who has served in that capacity for more than 9 years. Despite the Company does not have a policy which limits the tenure of its Independent Directors to 9 years, the Board has adopted the best practice when assessing the independence of an Independent Director who has served in that capacity for more than 9 years.</p> <p>As of 28 February 2023, save for Datuk Tan Hiang Joo, the tenure of all other Independent Directors does not exceed 9 years.</p> <p>In line with the amendments to the MMLR of Bursa Securities which limits the tenure of an Independent Director to not more than a cumulative period of 12 years from the date of such person's first appointment as Independent Director in the listed issuer or its related corporation effective 1 June 2023, Datuk Tan Hiang Joo had decided to step down as Independent Non-Executive Chairman of the Company effective 27 April 2023 after serving the Board for more than 26 years since his first appointment as Independent Director on 19 May 1997.</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 5.4 - 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 Board has delegated the responsibility of assessing and recommending potential candidate to fill a vacancy in the Board and Senior Management team to the NRC. In identifying suitable persons for appointment as Directors, the NRC takes into consideration of the potential candidates' skill set, experience, age, cultural background, gender, capabilities, professionalism, integrity, fit and properness, expertise, experience and commitment (including time commitment). In the case of candidates for the position of Independent Directors, the NRC also evaluates the candidates' ability to discharge such responsibilities or functions as are expected from an Independent Directors.</p> <p>The Board upon the recommendation of the NRC, 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 include skill sets, experience and leadership qualities, driven by their respective job descriptions. The Group operates in a male-dominated industry and is therefore a relative male-dominated company. This is reflected in the numbers of male and female employees that make up the workforce in the Group.</p> <p>The Board has zero tolerance policy to discrimination regardless of age, gender, ethnicity and cultural background, and impartial when deciding candidates on the composition of the Board and the Senior Management team.</p> <p>The Board had adopted a Diversity Policy to drive the Board's effectiveness in creating a breadth of diversity perspective among Directors and Senior Management. The said Policy is accessible on the Company's website at: <a href="https://www.eupe.com.my/investors">https://www.eupe.com.my/investors</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

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 Company had adopted the Selection and Appointment of Non-Executive Directors' Policy ("Appointment Policy") which sets out procedure for selection and appointment (including re-election / re-appointment) of Non-Executive Directors.</p> <p>In exercising objectivity in the selection process, the NRC has the authority to access to a wide pool of candidates and to obtain the service of professional recruitment firms sourcing for candidates or seek independent professional advice whenever necessary. The NRC also relies on the network and referrals from Directors, major shareholders and management as a source for new directors as they represent a tried and tested method of sourcing high-calibre directors with a sound understanding of the business.</p> <p>During the FY2023, a new INED, who was shortlisted among the 3 candidates, was appointed to the Board of the Company. The appointment of Ms Leow Peen Fong as INED effective 5 September 2022 was sourced through recommendation of the business network of a Board member.</p> <p>The NC had assessed the suitability of Ms Leow Peen Fong including her professional qualification, character, expertise, experience and commitment before recommending her for appointment to the Board as INED. With her vast experience in operational management, the NC was of the view that Ms Leow Peen Fong will help the Board in advising matters relating to the implementation of strategies as well as day-to-day operations, management and challenges, bringing strong executive experience and independent judgement to the Board. Both the NC and Board opined that the newly appointed Director has the appropriate skills, knowledge and experience that complement the Board in discharging its duties.</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>	:	<p>The information of Directors seeking re-election at the 26<sup>th</sup> AGM, i.e. details of any conflict of interest, position in the Company or relationship with any Director and major shareholder of the Company alongside their age, nationality, gender, qualification, working experience and other directorships as well as shareholding in the Company were disclosed in the Annual Report 2022 of the Company, to enable shareholders to make informed decisions on the re-election of Directors.</p> <p>The Board had also provided in the Explanatory Notes to the Notice of the 26<sup>th</sup> AGM, a brief description of the Directors seeking re-election as well as the Board's statement relating to the reasons to support the NC's recommendation for the re-election.</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 5.8

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>	:	As of 28 February 2023, the NC of the Company was chaired by Iskandar Abdullah @ Sim Kia Miang, an INED.  The Board had on 27 April 2023 resolved to merge the NC and RC into a single Board Committee known as NRC and appointed Ms Leow Peen Fong, an INED, as the Chairperson of the NRC.	
<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>	:	The Company had on 5 September 2022 appointed Ms Leow Peen Fong as INED of the Company. As of 28 February 2023, the Board has 3 women Directors, representing 37.5% women representation on the Board.	
<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>The Board is supportive of gender diversity and remains committed to improve women participation in all levels of the organisation, including appointment of candidate to the Board, Senior Management, officers and employees. This was evident that the Board has achieved 37.5% women representation on Board following the appointment of Ms Leow Peen Fong as an INED of the Company during the FY2023.</p> <p>In tandem with the Company's aspiration to attain diversity workforce, the Company had codified a Board and Senior Management Diversity Policy. The policy is available on the Company's website at: <a href="https://www.eupe.com.my/investors">https://www.eupe.com.my/investors</a>. The details of the Group's manpower can be found in the Sustainability 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>	:	

## 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 assessment of the Directors is an on-going responsibility of the NRC and the entire Board. During the financial year under review, the NC, facilitated by the Company Secretaries, had conducted a formal and objective internal annual evaluation on the effectiveness of the Board as a whole, the Board Committees and the contribution and performance of individual Directors, based on self and peer assessment approach through customised questionnaires evaluation form. The assessment covers the Board's size and composition, mix of skills, industry experience, integrity, independence and other criteria set to meet the operational objectives, strategic goals and business requirements of the Group. No external facilitator was used.</p> <p>Below are the criteria used to assess Board, Board Committees and individual Directors respectively during the FY2023:</p> <p>a) Directors' self-assessment</p> <ul style="list-style-type: none"><li>▪ Fit and propriety;</li><li>▪ Professional conduct, qualification, knowledge and experience;</li><li>▪ Contribution and performance – ability to give input at meetings and demonstrate high level of professionalism and integrity in the decision-making process;</li><li>▪ Calibre and personality – ability to commit the time required to fulfil the role and work constructively with peers and management towards strategy development;</li><li>▪ Industry experience;</li><li>▪ Quality input; and</li><li>▪ Understanding of roles and commitment.</li></ul> <p>b) Board and Board Committees' assessment:</p> <ul style="list-style-type: none"><li>▪ Board structure and composition;</li><li>▪ Boardroom conduct and activities;</li></ul>

	<ul style="list-style-type: none"> <li>▪ Quality of information and decision-making;</li> <li>▪ Board relationship with the Management;</li> <li>▪ Roles and responsibilities of Board and Board Committees' Chairman;</li> <li>▪ Board skill sets; and</li> <li>▪ Overall Board effectiveness.</li> </ul> <p>c) Independent Directors' self-assessment:</p> <ul style="list-style-type: none"> <li>▪ The criteria of "independence" used in the definition of the "Independent Directors" prescribed under the MMLR of Bursa Securities and MCCG.</li> </ul> <p>The responses in the assessments by each Board member were collated by the Company Secretaries and tabled at the NC meeting for deliberation. The NC tabled the outcome of the assessment to the Board together with agreed action plans to address the gaps or areas for improvement. These included refining the approach to the conduct of meeting and discussions as well as improvements to Board composition.</p> <p>Based on the annual assessment for FY2023, the Board concluded that the overall performance of the Directors was satisfactory. The Board and Board Committees have the right balance, size and composition in terms of mix of skills, industry experience, integrity, independence and other professional background and had discharged their duties and responsibilities. The Board was also satisfied with the level of commitment as well as the diverse perspectives of the Directors in fulfilling their roles and responsibilities as Directors of the Company.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	



**Intended Outcome**

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 had formalised a Directors’ and Senior Management’s Remuneration Policy, aimed at supporting Company’s long-term objectives and creating a strong performance orientated environment in order to attract, motivate and retain high performing Directors and Senior Management.</p> <p>In determining the level of the Directors’ and Senior Managements’ remuneration, the NRC is guided by the following key principles as embedded in the policy:</p> <ul style="list-style-type: none"> <li>▪ Remuneration level should be aligned with the Group’s business strategy and long-term objectives and are competitive and comparable with the relevant market and industry practice.</li> <li>▪ Remuneration should be commensurate with the level of responsibility of an individual as well as the demand, complexities, and performance of the Company.</li> <li>▪ Appropriate incentives are to be considered to attract talent as well as nurture and retain high calibre Directors and Senior Management.</li> <li>▪ Remuneration and incentives for Independent Directors do not conflict with their obligation to bring objectivity and independent judgement on matters discussed.</li> </ul> <p>Broadly, the Directors’ remuneration packages are structured in accordance with their level of expertise, knowledge and level of contribution to the Company. Besides, benchmarking against the market competitiveness is conducted in designing the Directors’ remuneration package.</p> <p>The NRC reviews and recommends to the Board the remuneration of the Executive Directors and Senior Management, taking into</p>

	<p>consideration all relevant factors including skills, experience, responsibilities involved as well as linking rewards to the corporate and individual performance. Review of the Executive Directors' and Senior Management's remuneration package is performed yearly while the employees' performance appraisal/increment review are conducted semi-annually.</p> <p>The NRC also reviews and recommends the remuneration policies and packages for Non-Executive Directors which reflects their experiences, level of responsibilities, time commitment required in attending both the scheduled and special Board meetings as well as the number of memberships assumes on Board Committees. The fees for the INEDs are not linked to the financial results of the Group. INEDs are not entitled to any performance bonus or any incentive arrangements.</p> <p>Any review or change to the existing packages will be deliberated upon and approved by the Board as a whole. The Directors will abstain from the deliberation of their own remuneration.</p> <p>The Directors' fees and benefits, which had been reviewed by the RC, are recommended by the Board to the shareholders for approval at the AGM.</p> <p>The Directors' and Senior Management's Remuneration Policy is reviewed periodically and is available on the Company's website at <a href="https://www.eupe.com.my/investors">https://www.eupe.com.my/investors</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 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 Board had established a RC to assist the Board in assessing the remuneration packages of the Executive Directors, Non-Executive Directors and Senior Management of the Company.</p> <p>In view of the overlapping functions between the NC and RC, and also the current size and business activities of the Group, the Board has merged the NC and RC as a single Board Committee known as NRC effective 27 April 2023 to improve efficiency and effectiveness of the Board Committees in discharging its duties and responsibilities. The NRC consists of exclusively Non-Executive Directors, as follows:</p> <table border="1"><thead><tr><th>Name</th><th>Designation in NRC</th><th>Directorship</th></tr></thead><tbody><tr><td>Leow Peen Fong</td><td>Chairperson</td><td>Independent Non-Executive Director</td></tr><tr><td>Tham Sau Kien</td><td>Member</td><td>Independent Non-Executive Director</td></tr><tr><td>Beh Yeow Seang</td><td>Member</td><td>Non-Independent Non-Executive Director</td></tr></tbody></table> <p>The NRC is responsible for developing and administering a fair and transparent procedure for setting policy on remuneration of Directors and Senior Management that will attract and retain the right talent in the Board and Senior Management to drive the Company's long-term objectives. The Terms of Reference of the NRC is available on the Company's website at <a href="https://www.eupe.com.my/investors">https://www.eupe.com.my/investors</a>.</p>	Name	Designation in NRC	Directorship	Leow Peen Fong	Chairperson	Independent Non-Executive Director	Tham Sau Kien	Member	Independent Non-Executive Director	Beh Yeow Seang	Member	Non-Independent Non-Executive Director
Name	Designation in NRC	Directorship												
Leow Peen Fong	Chairperson	Independent Non-Executive Director												
Tham Sau Kien	Member	Independent Non-Executive Director												
Beh Yeow Seang	Member	Non-Independent Non-Executive Director												
<b>Explanation for departure</b>	:													

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

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

**Intended Outcome**

Stakeholders are able to 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 Directors did not receive any remuneration from the subsidiaries of the Company except for the Group MD and Executive Director. The details of the remuneration of the Directors received/receivable from the Group and the Company during the FY2023 are appended in the page below.

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	Alfian Bin Tan Sri Mohamed Basir (Chairman)	Independent Director	60.0	-	-	-	-	8.0	68.0	60.0	-	-	-	-	8.0	68.0
2	Dato' Beh Huck Lee (Group MD)	Executive Director	-	-	-	-	-	9.9	9.9	-	-	605.0	132.0	-	108.6	845.6
3	Muhamad Faisal Bin Tajudin	Executive Director	-	-	-	-	-	5.1	5.1	-	-	384.0	28.0	-	61.0	473.0
4	Iskandar Abdullah @ Sim Kia Miang	Independent Director	60.0	-	-	-	-	14.6	74.6	60.0	-	-	-	-	14.6	74.6
5	Beh Yeow Seang	Non-Executive Non-Independent Director	60.0	-	-	-	-	9.9	69.9	60.0	-	-	-	-	9.9	69.9
6	Leow Peen Fong (Appointed w.e.f. 5 September 2023)	Independent Director	30.0	-	-	-	-	2.4	32.4	30.0	-	-	-	-	2.4	32.4
7	Tham Sau Kien	Independent Director	60.0	-	-	-	-	8.8	68.8	60.0	-	-	-	-	8.8	68.8
8	Datuk Tan Hiang Joo (Resigned w.e.f. 27 April 2023)	Independent Director	60.0	-	-	-	-	15.1	75.1	60.0	-	-	-	-	15.1	75.1
9	Kek Jenny (Resigned w.e.f. 25 August 2022)	Independent Director	30.0	-	-	-	-	11.4	41.4	30.0	-	-	-	-	11.4	41.4

### 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>	:	<p>The Board did not disclose on a named basis the top five Senior Management's remuneration in band of RM50,000 as it may give rise to recruitment and talent retention issue due to the intense competitiveness in the market for calibre Senior Management in the market as well as confidentiality and sensitivity of the remuneration package.</p> <p>The total remuneration paid to employees are made available in the Note 35 to the Audited Financial Statements for FY2023, which allows shareholders to make an appreciable link between the Group's overall remuneration structure and the Group's performance.</p> <p>Annual performance evaluation of Senior Management is conducted and measured against the targets set for the year. The remuneration packages of Senior Management are reviewed annually and adjustments are made based on not only their individual performance and contribution in the preceding year, but also the Group's performance as a whole.</p> <p>The Board ensures that the remuneration of the Senior Management commensurate with their performance and level of responsibility as well as the demand, complexities and performance of the Group, with due consideration to attract, retain and motivating the Senior Management.</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**

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>	:	



### 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>	:	<p>The positions of Board Chairman and RMAC Chairman are always held by two (2) distinct individuals to uphold the overall effectiveness and independence of RMAC as the Board can review the RMAC's findings and recommendations with unfettered objectivity.</p> <p>As of 28 February 2023, the Chairman of the Board was Datuk Tan Hiang Joo, whereas the Chairman of the RMAC was Encik Alfian Bin Tan Sri Mohamed Basir.</p> <p>On 27 April 2023, Encik Alfian Bin Tan Sri Mohamed Basir was re-designated as Independent Non-Executive Chairman of the Company, taking over from Datuk Tan Hiang Joo who had stepped down from his position as the Board Chairman.</p> <p>Encik Alfian Bin Tan Sri Mohamed Basir had also relinquished his position as the Chairman of the RMAC, and in replacement thereof, Madam Tham Sau Kien was appointed as the Chairman of the RMAC effective 27 April 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

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 RMAC had on 27 July 2022 recommended revisions to its Terms of Reference and External Auditors' Policy and Procedures respectively to require a former key audit partner of the Company to observe a cooling-off period of at least three (3) years before being appointed as a member of the RMAC in order to safeguard the integrity and independence of the audit process. The Board had on the next day approved the revised policies.</p> <p>To-date, none of the members of the RMAC are former key audit partner of external audit firm(s) servicing the Company.</p> <p>The Terms of Reference of the RMAC and the External Auditors' Policy and Procedures are accessible on the Company's website at <a href="https://www.eupe.com.my/investors">https://www.eupe.com.my/investors</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

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 Board has put in place the External Auditors' Policy and Procedures which act as a guideline for the RMAC to discharge its responsibility for assessing the suitability, appointment, independence and performance of the External Auditors.</p> <p>The RMAC on an annual basis, assesses the independence and effectiveness of the External Auditors in performing the audit before recommending their re-appointment as the Company's External Auditors. The RMAC also reviews the nature and extent of non-audit services rendered by the External Auditors, if any, to ensure that the provision of these services does not compromise their independence and objectivity.</p> <p>The annual assessment of the External Auditors encompasses areas such as quality of services, sufficiency of resources, communication and interaction, independence, objectivity and professional scepticism. The assessment is conducted by the CFO, the results of which is tabled to the RMAC for deliberation.</p> <p>Guided by the External Auditors' Policy and Procedures, the RMAC had on 14 June 2023 assessed the External Auditors, RSM Malaysia PLT on their quality of services, sufficiency of resources, communication and interaction, independence, objectivity and professional scepticism. The RMAC also reviewed the nature and extent of non-audit services rendered by RSM Malaysia PLT during FY2023 and concluded that the provision of these services did not compromise their independence and objectivity.</p> <p>Based on the assessment results, the RMAC was satisfied with the overall performance, independence and competency of RSM Malaysia PLT for the audit of the FY2023 and has recommended to the Board the re-appointment of RSM Malaysia PLT as the External Auditors of the Company for the financial year ending 29 February 2024 for shareholders' approval at the forthcoming 27<sup>th</sup> AGM of the Company.</p>

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

### Intended Outcome

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>	:	Adopted												
<b>Explanation on adoption of the practice</b>	:	The RMAC comprises solely Independent Directors as follows: <table border="1"><thead><tr><th><b>Name</b></th><th><b>Designation in RMAC</b></th><th><b>Directorship</b></th></tr></thead><tbody><tr><td>Tham Sau Kien</td><td>Chairperson</td><td>Independent Non-Executive Director</td></tr><tr><td>Iskandar Abdullah @ Sim Kia Miang</td><td>Member</td><td>Independent Non-Executive Director</td></tr><tr><td>Leow Peen Fong</td><td>Member</td><td>Independent Non-Executive Director</td></tr></tbody></table>	<b>Name</b>	<b>Designation in RMAC</b>	<b>Directorship</b>	Tham Sau Kien	Chairperson	Independent Non-Executive Director	Iskandar Abdullah @ Sim Kia Miang	Member	Independent Non-Executive Director	Leow Peen Fong	Member	Independent Non-Executive Director
<b>Name</b>	<b>Designation in RMAC</b>	<b>Directorship</b>												
Tham Sau Kien	Chairperson	Independent Non-Executive Director												
Iskandar Abdullah @ Sim Kia Miang	Member	Independent Non-Executive Director												
Leow Peen Fong	Member	Independent Non-Executive Director												

## 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 current members of the RMAC, collectively, possess a wide range of skills, knowledge and industry practice and the requisite financial literacy to discharge its duties effectively. The qualification and experience of each RMAC member are disclosed in the Annual Report 2023.</p> <p>With financially qualified professional background, the RMAC members are able to understand, analyse and grasp complex financial issues brought to their attention including the financial reporting standards and processes. They are capable of providing sound advice to the Board in terms of accuracy of the Group's financial reporting as well as adequacy and effectiveness of Group's risk management and internal control system.</p> <p>Every quarter, RMAC meeting is conducted to review the integrity and reliability of the Group's unaudited quarterly financial statements and once a year to review the annual audited financial statements, Directors' report, and auditors' report prior to recommending the same to the Board for approval. The members of the RMAC continuously apply critical and probing view on the Group's financial reporting process, transactions and other financial information, and effectively challenge Management's assertions on the financial statements during the RMAC meetings.</p> <p>An annual assessment on the performance of the RMAC and each of its members for FY2023 was undertaken by the Board through the NC concurrently with the annual Board assessment. The Board was satisfied that the RMAC members who possess the required knowledge, experience, expertise and skills had contributed to the overall effectiveness of the RMAC and discharged their functions, duties and responsibilities constructively.</p>

	<p>In order to equip themselves and effectively discharge their duties, the RMAC members are encouraged to undertake professional development programmes to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules. In addition, the RMAC also regularly briefed by the External Auditors on key changes in accounting standards and financial reporting standards.</p>	
<p><b>Explanation for departure</b> :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b> :</p>		
<p><b>Timeframe</b> :</p>		

### Intended Outcome

Companies 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>The Board had established a structured ERM framework that outlines the Group's risk management system, defines Management's responsibilities and sets out risk appetite of the Group. Such framework assists the Board to actively identify, analyse, evaluate, manage, monitor and report the key business risks faced by the Group.</p> <p>The Group's internal audit function has outsourced to an independent professional firm which reports directly to the RMAC. In the Directors' Statement on Risk Management and Internal Control of the Company, the scope of work which covered by the internal audit function during the financial year under review is stipulated.</p> <p>Processes are put in place to ensure that the full risk management assessment includes a comprehensive risk management framework that identifies and locates specific risks within a risk matrix. The risk matrix act as a guideline in prioritising those identified risks based on the likelihood and potential impact of each risk to the operations of specific divisions and the Group in general and where necessary set out actions to be taken by the Group to mitigate the risks that were identified.</p> <p>The review of the adequacy and integrity of the Group's risk management and internal control system is an on-going process, which shall be done in accordance with the Group's business objectives. Such review has been embedded in all aspects of the Group's activities which was designed to manage risks that may impede the achievement of the Group's business objective within an acceptable risk appetite rather than to totally eliminate these risks.</p> <p>Risk identification and mitigation strategies are developed by the Group's ERM consultants in consultation with Senior Management. These are in turn provided by the ERM consultants to the RMAC for their review, analysis and approval.</p> <p>Please refer to the Directors' Statement on Risk Management and Internal Control of the Company on pages 98 to 103 of the Company's Annual Report 2023 for further information.</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 recognises the importance to maintain a sound risk management framework and system of internal control throughout the Group.</p> <p>Through RMAC, the Board is responsible for identifying, evaluating, managing, monitoring and mitigating significant risks across the Group. The RMAC, also assists the Board to fulfil its responsibilities pertaining to the risk governance and risk management in order to manage the overall risk exposure of the Group.</p> <p>The RMAC reviews and recommends for the Board’s consideration and approval, the risk management principles, frameworks and policies which place importance of balancing between risk and reward in making strategic business decision with the objective of safeguarding the shareholders’ investment and the Group’s assets.</p> <p>The Directors’ Statement on Risk Management and Internal Control in the Annual Report 2023 outlines the Group’s risk management framework and its state of internal control.</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 Group has outsourced its internal audit function to an independent professional firm which reports directly to the RMAC.</p> <p>An independent assessment on the internal control system of the Group was carried out by the Internal Auditors on a quarterly basis and opinion was given by the Internal Auditors in regard to the adequacy, efficiency and effectiveness of the internal control system and procedures in the business units within the Group as well as the extent of compliance with the Group's established policies, procedures and guidelines.</p> <p>To ensure that the responsibilities of Internal Auditors are fully discharged, the RMAC reviews:</p> <ol style="list-style-type: none"><li>a. the adequacy of the scope, competency, experience and resources of the internal audit function and that it has the necessary authority and resources to carry out its work;</li><li>b. the internal audit plan and processes, results of the internal audit assessment, investigations undertaken and whether or not appropriate action is taken on the recommendations;</li><li>c. the adequacy and effectiveness of the internal control system and the efficiency of the Group's operations and efforts taken to reduce the Group's financial, operational, controls and compliance risks;</li><li>d. major audit findings, reservations or material weaknesses and the Management's response and actions undertaken to resolve the audit issues reported and other activities as authorised by the Board;</li><li>e. the appointment or re-appointment of the Internal Auditors and their fees and if appropriate, to recommend to the Board for approval; and</li><li>f. the annual performance assessment of Internal Auditors including their suitability, objectivity and independence.</li></ol> <p>Please refer to the RMAC Report on pages 104 to 108 of the Annual Report 2023 for further details on the Group's internal audit function.</p>
<b>Explanation for departure</b>	:	

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

## Intended Outcome

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

## Practice 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, which reports directly to the RMAC, is outsourced to Tricor Axcelasia Sdn. Bhd. ("Tricor Axcelasia"), an independent professional services provider whose principal responsibility is to undertake systematic reviews of internal controls system in accordance with the approved risk based internal audit plan, to provide reasonable assurance that the system continues to operate effectively.</p> <p>Ms Melissa Koay ("Melissa") is the engagement Executive Director of Tricor Axcelasia, who is a Chartered Member of the Institute of Internal Auditors Malaysia and a Member of the Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accounts, United Kingdom. She is also a Certified Internal Auditors (USA). Melissa has diverse professional experience in internal audits, risk management, and corporate governance advisory.</p> <p>The number of staff deployed for the internal audit reviews was 3 to 4 staff per cycle including the engagement Executive Director. The staff involved in the internal audit reviews possess professional qualification and/or university degree. Most of them are members of the Institute of Internal Auditors Malaysia. The internal audit staff on the engagement are free from any relationships or conflicts of interest, which could impair their objectivity and independence.</p> <p>The internal audit function has been carried out on a risk-based approach and was guided by the International Professional Practice Framework (IPPF). The scope of internal audit is decided and agreed upon after having considered the risk profiles of each business units of the Group.</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 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company strives to maintain an open and transparent channel of communication with its shareholders and stakeholders, analysts and the public at large as guided by the Corporate Disclosure Policy of the Company, with the objective of providing a clear and complete picture of the Group's performance and financial position.</p> <p>The Board has adopted the Corporate Disclosure Policy to provide guidance on the determination and dissemination of sensitive and material information to investors, stakeholders, local media, the investing public and other relevant persons in line with the applicable legal and regulatory requirements. The communication channel used in the Company's engagement with its stakeholders includes:-</p> <p><b>Corporate website and official website of Bursa Securities</b> The Company recognises the importance of effective and timely communication with shareholders and investors to keep them informed on the Group's latest business and corporate developments. Such information is disseminated via the Group's annual reports, quarterly financial results and through various disclosures via the Company's website as well as the official website of Bursa Securities.</p> <p><b>Annual General Meeting</b> The AGM serves as principal avenue for the Board to engage and interact with shareholders and investors as well as to address their concerns, where necessary. The Company encourages shareholders' active participation to gain insights on the Group's strategic direction, business operations and performance. The Chairman and other Board members together with the Senior Management and the Company's External Auditors are also present at the AGM to address shareholders' questions or concerns.</p> <p><b>Investor Relation ("IR")</b> The Company maintains its communication channel with the community via its dedicated IR section available on its website which provides all relevant information of the Group. This IR section enhances relations with the investors by including all announcements made by the Company, share price information, annual reports and corporate</p>



	<p>governance structure of the Company. All IR function is handled by the Company.</p> <p>The Company also conducts dialogues with investors, analysts and media briefings to give them a better insight of the business and financial performance of the Group. Shareholders and investors are also welcomed to make enquiries about IR matters with the Company via <a href="https://www.eupe.com.my/investors">https://www.eupe.com.my/investors</a>.</p>	
<b>Explanation for departure</b> :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

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

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

**Practice 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 Board regards the AGM and other general meetings as an opportunity to communicate directly with shareholders and encourages attendance and participation in dialogue.</p> <p>The 26<sup>th</sup> AGM of the Company was held on 25 August 2022. The Annual Report 2022 and the notice of the 26<sup>th</sup> AGM were issued to the shareholders and made available on the Company’s website on 30 June 2022, which was more than 28 days before the AGM.</p> <p>The Notice of AGM which outlines the proposed resolutions to be tabled, is accompanied with detailed explanatory notes and relevant background information on the matters to be decided at the AGM in order to allow the shareholders to have better understanding on the proposed resolutions and make informed decisions on exercising their votes.</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>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The 26<sup>th</sup> AGM and Extraordinary General Meeting (“EGM”) of the Company were held physically at AVANTÉ Hotel, Petaling Jaya on 25 August 2022. All Directors had attended the general meetings except Encik Alfian Bin Tan Sri Mohamed Basir due to medical reason.</p> <p>Besides the Board, the CFO, the Company Secretaries and the External Auditors of the Company were also present in person at the general meetings to respond to any financial and operational queries raised by the shareholders and provide clarification or explanation on the proposed resolutions before putting a resolution to vote.</p> <p>At the 26<sup>th</sup> AGM, the Group MD and the CFO gave presentations on the Group’s business strategies, financial performance and projects’ milestone, whilst at the EGM, CFO had presented the key information in relation to the acquisition of a parcel of leasehold land. The questions from the Minority Shareholder Watch Group (“MSWG”) for both the general meetings were responded by the Management. The shareholders were encouraged to pose questions where the Group MD and the CFO had addressed all the questions and comments raised by shareholders and proxies.</p> <p>The minutes of the general meetings containing the proceedings of the meeting, questions and responses by the Company are available on the Company’s website at <a href="https://www.eupe.com.my/investors">https://www.eupe.com.my/investors</a>.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 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>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>After 2 years of having virtual AGMs due to the Covid-19 pandemic, with the country having transitioned into the endemic phase of Covid-19, the Board has opted to revert to a physical platform for better engagement with shareholders, as it allows better flow of two-way communication at the general meetings. The 26<sup>th</sup> AGM and EGM of the Company were conducted in the conventional mode with the physical presence of shareholders at AVANTÉ Hotel, Petaling Jaya on 25 August 2022.</p> <p>The Company has not adopted any technology to facilitate the voting in absentia and remote shareholders' participation at the general meetings.</p> <p>The Board has taken necessary steps to provide maximum opportunity for shareholders to participate at the general meetings by convening its meetings at the central town of Selangor which is easily accessible by shareholders.</p> <p>As all resolutions put to general meetings are to be voted by poll in accordance with Paragraph 8.29A of the MMLR, shareholders who were unable to attend the general meetings may appoint any person(s) or the Chairman of the meeting as their proxies to attend, participate, speak and vote on their behalf at the general meetings.</p> <p>The Company will consider embrace the adoption of technology to facilitate voting in absentia and remote shareholders' participation in future general meetings to allow broader shareholders participation.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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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 13.4

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>	: <p>The Board views the Company's general meetings as important platform to provide opportunity for shareholders to effectively engage with the Board and to raise questions directly to specific Directors and Senior Management on the performance of the Group.</p> <p>At the 26<sup>th</sup> AGM held on 25 August 2022, the Group MD gave a brief presentation on the Group's business strategies and property market outlook covering the current year's financial performance, projects' key milestone and achievements and the Group's focus on the years ahead. Whereas the CFO presented the Group's business portfolio and notable achievements from 2016 to 2022, future growth plan, overview of the Group's financial performances and financial positions for the past 5 years as well as corporate strategies and goals.</p> <p>While for the EGM that held in the same day, CFO gave presentation on the overview, rationale and prospects, feasibility study and timeline of the acquisition of a parcel of leasehold land.</p> <p>On top of that, questions which were raised by the MSWG in relation to both the general meetings were responded by Management and were also shared with all the participants during the general meetings.</p> <p>During the Questions &amp; Answers session, the Chairman ensured that sufficient opportunities were given to shareholders to raise issues relating to the affairs of the Group by allocating ample of time to the session. All questions raised by shareholders during the general meetings had been clarified and responded by the Group MD and CFO succinctly.</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 13.5**

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> :	Not applicable – only physical general meetings were conducted in the financial year
<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 13.6

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 26 <sup>th</sup> AGM and EGM of the Company held on 25 August 2022 were circulated to the shareholders, via publishing on the Company's website on 30 September 2022, which is within 30 business days after the general meetings.  The Minutes of the 26 <sup>th</sup> AGM and EGM are available on the Company's website at <a href="https://www.eupe.com.my/investors">https://www.eupe.com.my/investors</a> .
<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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