

CORPORATE GOVERNANCE REPORT

STOCK CODE : 6815
COMPANY NAME : EUPE CORPORATION BERHAD
FINANCIAL YEAR : February 28, 2022

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group is led by an experienced Board of Directors ("the Board"), comprising Independent Non-Executive Chairman, two (2) Executive Directors, four (4) Independent Non-Executive Directors ("INED") and one (1) Non-Independent Non-Executive Director.</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 Board is fully accountable and responsible for embedding good corporate governance culture within the Group and stewarding the strategic plans and goals of the Group, the Group's businesses conducts and the overall performance of management.</p> <p>To ensure the Board discharging its duties and responsibilities effectively, the Board has established a Risk Management and Audit Committee ("RMAC"), a Nomination Committee ("NC") and a Remuneration Committee ("RC") and delegated specific responsibilities to the Board Committees in accordance with their Terms of Reference ("TOR"). 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 entire 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 ("GMD") is responsible for managing the day-to-day operations of the Group, including the implementation and</p>

execution of strategic plans, Group policies and decisions of the Board with the support from Chief Financial Officer (“CFO”) and 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 2022 (“FY2022”), 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 GMD together with the Director of Property Development updated the Board on the Group’s business 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.

The Board, through the NC, develops objective criteria which is in line with the Group’s key strategies, for evaluating the performance of Key Senior Management (including GMD 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 GMD 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 Company’s business strategic objectives. The implementation of the ERM framework and internal control system is delegated to the 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 framework is performed by the RMAC to ascertain its effectiveness in protecting the Group’s assets and shareholders’ interest.

	<p>The Board is committed to setting the top-down approach in promoting and maintaining the sound corporate governance culture within the Group with greater emphasis on ethical, prudent, integrity and professional behaviour to create and deliver long-term sustainable value to its shareholders.</p> <p>The Board also places considerable amount of importance on embracing organisational wide integrity and ethical values. The same is 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>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>Datuk Tan Hiang Joo, being the Independent Non-Executive Chairman, is responsible for the leadership, management of the Board and ensuring the integrity and effectiveness of corporate governance of the Board. His roles and responsibilities are summarised as follows:</p> <ul style="list-style-type: none"> • Ensure 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; • Serve as the medium between the Board and the Management; • Lead the Board and shareholders' meetings and ensure the meeting proceedings comply with good conduct and practices; • Facilitate the effective communication of all board members to ensure that no one Board member dominates discussion and that fruitful discussions take place as well as all opinions amongst members are being heard; • Encourage active participation of Board members and ensure opposing views are freely expressed amongst the Board members. This includes ensuring all the Board members are supplied with meeting materials in a timely manner, issues discussed during meetings are sufficiently briefed through, presented and allowed Board members to have reasonably sufficient time for extensive deliberation of key issues; and • Ensure effective communication with stakeholders and that their views are communicated to the Board as a whole. <p>The roles and responsibilities of the Chairman are specified in Paragraph 4.3 of the Company's Board Charter, which is available on Eupe's website at https://www.eupe.com.my/investor-relations.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>There is a perfect balance of power, authority and accountability between the Chairman of the Board and the GMD. As such, no one individual can influence the Board's decision-making. Accordingly, the positions of Chairman of the Board and GMD are held by two different individuals.</p> <p>The Chairman of the Board, Datuk Tan Hiang Joo leads and manages the Board, which collectively responsible for the oversight of management by focusing on strategy, governance and compliance. The GMD, Dato' Beh Huck Lee is responsible for, amongst others, overseeing the day-to-day running of the business, implementation of Board policies and strategies, and making of operational decisions.</p> <p>The roles of the Chairman of the Board and GMD are clearly defined in the Board Charter, which is available on Eupe's website at: https://www.eupe.com.my/investor-relations.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

The 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>	
Application :	Departure
Explanation on application of the practice :	
Explanation for departure :	<p>Datuk Tan Hiang Joo, the Chairman of the Board is currently the Chairman of the RC.</p> <p>The Chairman has been acting objectively and uphold his independence during the Board and RC meetings. The Chairman does not have any conflict of interest in all aspects of the Company and its subsidiaries nor any family relationships with any Directors or major shareholders of the Company which may affect his independence or influence his judgement. The Chairman has been providing valuable insights and knowledge to the Board and Board Committee which he sits in.</p> <p>However, the Board acknowledged that having the same person assuming the positions of Chairman of the Board and the RC would give rise to the risk of self-review and may impair the objectivity of the Chairman and the Board when deliberating on the observations and recommendations put forth by the RC. As such, the Board will re-compose the composition of the RC within 3 years.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by three (3) Company Secretaries, who are members of The Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"), and are qualified to act as company secretary under Section 235(2) of the CA 2016.</p> <p>The key roles of the Company Secretaries are to provide unhindered professional advice and services to the Directors, as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance. Their roles and responsibilities are clearly set out in the Company's Board Charter.</p> <p>The Company Secretaries had performed the following tasks during the FY2022 to ensure the Board and Board Committees are functioning effectively within their terms of reference and best practices:</p> <ul style="list-style-type: none">• Updated and advised the Board regularly in the form of email or circulation of board papers in relation to its duties and responsibilities in accordance with the Constitution of the Company ("the Constitution") and on the changes to statutory and regulatory requirements, principles and practices of corporate governance;• Advised the Board on issues relating to the Constitution, Board policies and procedure, MMLR, CA 2016 and other regulatory compliance and governance matters;• Regularly updated and kept the Directors and principal officers informed of the requirements in relation to the dealing in the securities of the Company during closed period and non-closed period;• Ensured all Board and Board Committees meetings are properly organised and convened in accordance with the provisions in the Constitution and the CA 2016 and in a timely manner;• Attended all Board and Board Committees meetings and ensured that the meeting proceedings are followed, as well as ensured that the decisions and resolutions passed by the Board and Board Committees are properly recorded and documented including any dissenting decision by any member of the Board or Board Committees;• Worked closely with the KSM to ensure information flows within the Board and Board Committees, and between the Non-

	<p>Executive Directors and KSM are appropriate and in timely manner; and</p> <ul style="list-style-type: none"> Managed the Company's 25th Annual General Meeting ("AGM") proceedings in accordance with the Constitution, CA 2016 and MMLR of Bursa Securities. <p>In addition to the above, the Company Secretaries constantly keep themselves abreast of the regulatory changes and developments in company law, Listing Requirements and corporate governance, and had attended the relevant continuous professional development programmes as required by the Companies Commission of Malaysia or MAICSA for practising company secretaries.</p> <p>The Board is satisfied with the performance of the Company Secretaries. They have provided the Board sound advice and ensured adherence to the rules and procedures in relation to CA 2016, Listing Requirements and corporate governance throughout the FY2022.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board meetings were conducted at least quarterly in order to review and approve the financial, operational and business performance of the Group. Additional meetings were 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 FY2022, the Board and RMAC both had five (5) meetings whilst the NC and RC both had two (2) meetings. The Board Committees meetings are not combined with the main Board meeting. The RMAC meeting is held one day before the Board meeting to ensure adequate time for thorough discussion with the Management on financial results, operational issues, internal control, corporate governance and audit-related matters before making any recommendation to the Board.</p> <p>In order to facilitate the Directors' scheduling and to encourage attendance, the Board, Board Committees and shareholders' meetings for the financial year were prepared and scheduled in advance. At the beginning of the year, the annual meeting calendar was prepared and tabled at the Board meeting. Such arrangement allowed the Chairman, together with the Management and the Company Secretaries, discharged their duty and responsibilities effectively in ensuring the Directors received adequate information in a timely manner prior to each of the Board or Board Committees meetings.</p> <p>The Board has unfettered access to all information to allow them to discharge their duties effectively and efficiently. As best practices, notice of Board meetings are issued at least seven (7) days prior to the meetings, and the Board meeting materials containing the relevant information to be deliberated at the meeting are circulated 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 on the matters to be deliberated at the meeting, if required, from the KSM or the Company Secretaries.</p> <p>The GMD and CFO will summarise the discussion points and present during the meetings in order to facilitate discussion and deliberation by the Board.</p>

	<p>Separate reports with a brief statement of findings and/or recommendations on strategic plans, policy issues, major investment and major financial decisions are prepared as and when necessary to facilitate informed decision-making.</p> <p>Professional advisers appointed by the Company for corporate proposals would also be invited to the Board meetings to provide insights and advice to the Directors. The Directors, whether collectively as a Board or in their individual capacity, have ready and unrestricted access to the advice of the independent professional advisers, if so required, in furtherance of their duties at the Company's expense.</p> <p>The Company Secretaries ensured all pertinent issues discussed at the Board and Board Committees meetings in arriving at the decisions and conclusions are properly documented.</p> <p>Within a month upon completion of the Board and Board Committees meetings, minutes of meeting are prepared and circulated to the Board and Board Committees for perusal prior to confirmation at the next meeting. The minutes record deliberations, decisions and rationale for each decision including matters where Directors abstained from deliberation and voting, and concerns or dissenting views, if any. In the intervals between Board meetings, Board's decisions or approvals for matters that are urgent or administrative in nature will be sought via circular resolutions which are supported with relevant information and explanations and the same applies to the Board Committees.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 2.1

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

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

Application	: Applied
Explanation on application of the practice	<p>The Board's functions are governed and regulated by its 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, sets out, among others, the following:</p> <ul style="list-style-type: none">• The roles and responsibilities of the Board;• Board structure;• Role of the Chairman, the GMD, the Executive Director, the Non-Executive Directors, the Company Secretary, and the Board Committees;• Board's relationship with shareholders and stakeholders;• Board processes and board meetings;• Directors' remuneration;• Assessment of Board, Board Committees and individual Directors;• Representation of the Company;• The Constitution and Management's limits; and• Code of Conduct and Ethics. <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 will be reviewed and updated to reflect the relevant practices and processes recommended in the Malaysian Code on Corporate Governance ("MCCG").</p> <p>The Board Charter is available on Eupe's website at https://www.eupe.com.my/investor-relations.</p>

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

Intended Outcome

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

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

Practice 3.1

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

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

Application	: Applied
Explanation on application of the practice	<p>The Board acknowledges its leadership role in creating ethical values and observing ethical conduct. The Board had established a Code of Conduct and Ethics for the Group which provides guidance to Directors, KSM and employees to help them recognise and deal with ethical issues and provides mechanisms to report unethical conducts and helps foster a culture of honesty and accountability.</p> <p>The Code of Conduct and Ethics covers the following areas:</p> <ul style="list-style-type: none">• Compliance with the law and relevant rules and regulations;• Conflict of interest;• Confidentiality of information;• Safeguarding the Company's properties;• Company's funds and business records;• Giving and receiving gifts and gratuities;• Preventing corruption and offering a bribe;• Intellectual Properties Rights;• Safety, Occupational Health and Environment;• Religious / Racial / Sexual Discrimination;• Outside activities and interests;• Fair and courtesy inter-personal conduct;• Dishonesty, misconduct and corrupt practices;• Money laundering and terrorism financing; and• Abuse of power. <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.</p> <p>The Code of Conduct and Ethics is made available on Eupe's website at https://www.eupe.com.my/investor-relations.</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</p>

	<p>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 are 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 which embedded within the Group.</p>	
Explanation for departure		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure		
Timeframe		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board 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 Chairman of the Board and the Chairman of the RMAC are committed to investigate and address all reported cases and recommend action to be taken by the Board (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 FY2022, no whistleblowing report was received by the Board Chairman nor the RMAC Chairman.</p> <p>The Whistleblowing Policy is made available on Eupe's website at https://www.eupe.com.my/investor-relations.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's sustainability efforts are underpinned by the three 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 Company.</p> <p>A Sustainability Steering Committee ("SSC") comprising the GMD, CFO and Senior Management 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 & admin, construction, project, 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 2022 Annual Report and is available at the Company's website at https://www.eupe.com.my.</p>
Explanation for departure	:	

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

Intended Outcome

The 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.

Application	:	Applied
Explanation on application of the practice	:	<p>In order to achieve the Company's vision – to become the most trusted brand in every sector in which the Group operate, the Company has established a robust sustainability framework which provides support to the existing <i>Sustainability Plus</i> approach, comprising two main principles being - Sustainable Eco-Design and Building Strong Communities. These principles are applied in the Company's building design and construction as well as in the governance and management of the Company's business operation.</p> <p>Besides, the Company is committed to contribute positively towards achieving the United Nations Sustainable Development Goals ("Goals"). The Goals are ambitious and wide-reaching, representing the UN's sustainable development targets for both the private and public sector. Out of the 17 Goals, the Company has identified 5 Goals that are relevant to the Group's operations which can be achieved by leveraging Sustainability Plus strategy. The 5 identified Goals are:-</p> <ul style="list-style-type: none">▪ Goal 3 : Good Health and well-being▪ Goal 8 : Decent work and economic growth▪ Goal 9 : Industry, innovation and infrastructure▪ Goal 11 : Sustainable cities & communities▪ Goal 12 : Responsible consumption and production <p>Throughout the year, 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 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 and AGM. Through the materiality matrix, key sustainability matters are identified. On yearly basis, the Group's on-going sustainability initiatives, material sustainability matters as well as the activities undertaken by the Group to support the sustainability practices and corporate social responsibility initiatives are disclosed in the Annual Report of the Company (under Sustainability Report).</p>

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

Intended Outcome

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.

Application	: Applied
Explanation on application of the practice	<p>Sustainability Key Performance Indicators ("KPIs") are established which provide clear, specific and measurable goals to improve the Company's year-on-year ESG performance. With such assessment in place, it allows the Company to efficiently manage sustainability performance. Specific KPIs aligned with the four focus areas are outlined below:</p> <ol style="list-style-type: none">1) Customer satisfaction and quality2) Employee development3) Waste reduction4) Energy and resource consumption <p>Besides, a materiality assessment was established which acts as a guideline for the Company'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 Company and its business, including climate-related risks and opportunities.</p> <p>Eupe's Materiality Matrix for FY2022 covers a wide range of material matters which can be narrowed down to 4 main categories – Governance, Economic, Social and Environment.</p> <p>Under the "Governance" pillar, the Board is committed to uphold high standards of corporate governance, focus on potential conflicts of interest, discrimination, gifting or bribery, and occupational health and safety violations. The Board are adhered to all the law and regulations including ABAC, CA 2016, etc. in reducing the risk of financial losses to the Company through fines and penalties, while maintaining and building upon the Company's reputation as a good corporate citizen.</p> <p>The Board acknowledged the "Economic" aspect of sustainability and aims to achieve financial and economic success, to provide employment security for the Company's staff, as well as providing significant inputs into the broader economy through the purchase of local construction materials, and employment of local contractors. The Company also acknowledged that climate change is both a major environment risk and a risk to the sustainability of all economies. Resource efficiency measures are put in place in the Company's development projects that aim to lessen the Group's carbon footprint.</p>

	<p>The Company aims to reduce environmental footprint from its construction property business activities including the 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 Company is committed to produce quality building, improve customer satisfaction, employee engagement and staff diversity, health and safety as well as community outreach activities during the year.</p>	
Explanation for departure		
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Timeframe		

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledged the importance of the achievement for sustainability and such objective is included as part of the KPIs for the Executive Directors and Senior Management for their annual performance bonus.</p> <p>The Board's annual evaluation for FY2022 took into consideration the performance of the Board in addressing the Company's material sustainability risks and opportunities in general.</p> <p>Notwithstanding that, the Executive Directors and Senior Management's performance are linked to the Company's sustainability efforts including their efforts and contribution to achieve a long-term economic objectives through the 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>
Explanation for departure	:	
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Measure	:	
Timeframe	:	

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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The NC is responsible for the recommendation of the most suitable candidates to the Board and assessed the appropriateness of the Board composition to ensure that it is able to discharge its duties in an informed and conscientious manner.</p> <p>In addition, the NC in accordance with its Terms of Reference, is also tasked to review and assess the performance and contribution of Directors who are due for retirement and subject to re-election at the AGM pursuant to the Constitution of the Company prior to recommending to the Board for consideration.</p> <p>In 2021, in considering the recommendation of Ms Kek Jenny, Encik Muhamad Faisal Bin Tajudin and Ms Tham Sau Kien for re-election as Directors, the NC had reviewed and assessed the performance and contribution of these 3 Directors. The evaluation results were satisfactorily. The NC then recommended the re-election of the aforesaid Directors to the Board and subsequently to the shareholders for approval at the 25th AGM held on 7 September 2021.</p> <p>In respect of FY2022, the NC had in April 2022 conducted an annual assessment to evaluate the performance of the Board, Board Committees and individual Directors. 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>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>As of 28 February 2022, the Board has eight (8) Directors, of whom five (5) are INED, representing 62.5% (or 5/8) 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 account the interest of the Group, stakeholders and shareholders including minority shareholders. In addition, no politician is appointed to the Board of the Company as at the date of this report.</p> <p>The Independent Directors are not involved in the day-to-day business conduct of the Company, and do not have any other relationship with the Company (other than those permitted by the applicable regulations) 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 INED and their objectivities.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 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.

Application	:	Applied									
Explanation on application of the practice	:	<p>The Board and NC are aware that shareholders' approval through a two-tier voting process is required to retain an Independent Director ("ID"), who has served in that capacity for more than nine (9) years. Despite the Company does not have a policy which limits the tenure of its IDs to nine (9) years, the Board has adopted the best practice when assessing the independence of IDs who has served in that capacity for more than nine (9) years.</p> <p>There are two (2) INEDs, namely Datuk Tan Hiang Joo and Ms Kek Jenny, who have served in such position for a cumulative term of more than nine (9) years as of to-date. Their length of services with Eupe are as follows:</p> <table border="1"><thead><tr><th>Name of Director</th><th>Date of First Appointed to the Board of Eupe</th><th>Length of Services (as at 30 June 2022)</th></tr></thead><tbody><tr><td>Datuk Tan Hiang Joo</td><td>19 May 1997</td><td>25 years and 1 months</td></tr><tr><td>Kek Jenny</td><td>28 March 2002</td><td>20 years and 3 months</td></tr></tbody></table> <p>The Board and NC had conducted evaluation of the above-named Directors through Independent Directors' Self-Assessment Checklist in accordance with the procedures set out in the Selection and Appointment of Non-Executive Directors Policy.</p> <p>Subsequent to the evaluation conducted by the NC and the Board, the Board had recommended Datuk Tan Hiang Joo and Ms Kek Jenny to continue to serve as INEDs of the Company based on the following justifications:</p> <ol style="list-style-type: none">They have fulfilled the criteria under the definition of Independent Directors as stated in the MMLR of Bursa Securities. They possess strong self-esteem and confidence to stand up for an independent point of view. With "independent	Name of Director	Date of First Appointed to the Board of Eupe	Length of Services (as at 30 June 2022)	Datuk Tan Hiang Joo	19 May 1997	25 years and 1 months	Kek Jenny	28 March 2002	20 years and 3 months
Name of Director	Date of First Appointed to the Board of Eupe	Length of Services (as at 30 June 2022)									
Datuk Tan Hiang Joo	19 May 1997	25 years and 1 months									
Kek Jenny	28 March 2002	20 years and 3 months									

	<p>in mind”, they would be able to bring the element of objectivity, independent judgement and balance to the Board;</p> <ul style="list-style-type: none"> ii. They are knowledgeable and have applied their vast experience and exercised due care during their tenure as INEDs of the Company. They have carried out their duties professionally with reasonable skills and competencies, bringing independent judgement and depth into the Board’s decision making in the best interest of the Company, shareholders and stakeholders; iii. They have been with the Company long and therefore understand the Company’s business operations which enable them to participate actively and contribute effectively during Board and Board Committees meetings; and iv. They have exhibited high commitment and devoted sufficient time and efforts to attend all the meetings for informed and balanced decision making. They are unafraid to explicit disagreement on matters and able to express unbiased view without any influence. <p>Overall, the Board believes that the above Directors are well equipped with the right balance of experience, expertise, skills and competencies to provide constructive opinion, and checks and balances to the Board with their unbiased and independent views to foster greater objectivity in the boardroom. Further, they have never transacted or entered into any transactions with, nor provided services to the Company and its subsidiaries, Executive Directors, major shareholders or the Management of the Company (including their family members) within the scope and meaning as set forth under Paragraph 5 of Practice Note 13 of the MMLR of Bursa Securities.</p> <p>However, Ms Kek Jenny had at the Board meeting held on 16 June 2022, informed the Board that she has no intention to remain in office as INED after having served the Company for 20 years since her appointment as an INED of the Company on 28 March 2002.</p> <p>Hence, she will remain in office as INED of the Company until the close of the 26th AGM and resigns immediately after the conclusion of the 26th AGM on 25 August 2022.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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.

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

Intended Outcome

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	<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 NC. In identifying suitable persons for appointment as Directors, the NC takes into consideration of the potential candidates' skill set, experience, age, cultural background, gender, capabilities, professionalism, integrity, expertise and commitment (including time commitment). For the position of Independent Directors, the NC will also evaluate the ability of the candidate in discharging such responsibilities or functions as are expected from an Independent Directors as outlined in the Board Charter.</p> <p>The Board upon the recommendation of the NC, evaluates and decides on the appointment of the proposed candidate to the Board.</p> <p>The appointment of Senior Management is based on predetermined criteria of skill sets and experience. 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 at Eupe's website at: https://www.eupe.com.my/investor-relations.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has adopted a 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>During the FY2022, a new INED was appointed to the Board of the Company. The appointment of Ms Tham Sau Kien as INED effective 18 June 2021 was sourced through the business network of a Board member. The NC had assessed the suitability of Ms Tham Sau Kien including her independence before recommending her for appointment to the Board as INED. The Board opined that the newly appointed Director has the appropriate skills, knowledge and experience and will be able to contribute positively to the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 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.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The details of any interest, position or relationship of a director were not included in the statement accompanying the Notice of the 25 th AGM of the Company. However, the Board and the NC had assessed the performance and contribution of the Directors who are seeking for re-election at the 25 th AGM before tabling the same to the shareholders for approval in September 2021.	
		The profile of the Directors who are seeking for re-election at the 26 th AGM to be held in August 2022, including their age, gender, working experience, directorship in other public companies, as well as family relationship with any Director/ major shareholder of the Company are disclosed in the Explanatory Notes to the Notice of the 26 th AGM for shareholders to make an informed decision on the re-election of a director.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The NC of the Company is chaired by Ms Kek Jenny, an INED.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	The Company had in June 2021 appointed Ms Tham Sau Kien as INED of the Company. Following the appointment of Ms Tham Sau Kien, the Board currently has 3 women Directors, representing 37.5% women representation on the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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.

Application	:	Applied	
Explanation on application of the practice	:	<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 evidenced from the appointment of Ms Tham Sau Kien to the Board as an INED in June 2021 during the FY2022.</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 Eupe's website whilst the details of the Group's manpower can be found in the Sustainability Report of the Annual Report 2022.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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>	
Application	: Applied
Explanation on application of the practice	: The annual assessment of the Directors is an on-going responsibility of the NC 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 or 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 has been used. Below are the criteria used to assess Board, Board Committees and individual Directors respectively during the FY2022: a) Directors' self-assessment <ul style="list-style-type: none">• Fit and proper;• Professional conduct, qualification, knowledge and experience;• Contribution and performance – ability to give input at meetings and demonstrate high level of professionalism and integrity in the decision-making process;• Calibre and personality;• Industry experience;• Quality input; and• Understanding of roles and commitment. b) Board and Board Committees' assessment: <ul style="list-style-type: none">• Board mix and composition;• Quality of information and decision making;• Boardroom activities;• Board relationship with the Management;• Board Chairman's roles;

	<ul style="list-style-type: none"> • Board skill sets; and • Financial literacy of the RMAC members. <p>c) Independent Directors' self-assessment:</p> <ul style="list-style-type: none"> • The criteria of "independence" used in the definition of the "Independent Directors" prescribed under the MMLR of Bursa Securities and MCCG. <p>The results of the assessments are compiled by the Company Secretaries for deliberation at NC meeting. The NC subsequently tabled the outcome of the assessment to the Board together with agreed action plans to address the gaps or areas for improvement.</p> <p>Based on the annual assessment for FY2022, the Board concluded that the overall performance of the Directors was within expectation whilst the Board and Board Committees had discharged their duties effectively and have the right balance, size and composition in terms of mix of skills, industry experience, integrity, independence and other professional background.</p> <p>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>
Explanation for departure :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
Measure :	
Timeframe :	

Intended Outcome

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

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	<p>With the aim to support Company's long-term objectives and create a strong performance orientated environment to be able to attract, motivate and retain high performing Directors and Senior Management, the Board has formalised a Directors' and Senior Management's Remuneration Policy.</p> <p>In determining the level of the Directors' and Senior Managements' remuneration, the NC is guided by the policy to consider, among others, the following:</p> <ul style="list-style-type: none">• Key principles in determining the remuneration and its scope;• Policy on salaries of Executive Directors and Senior Management;• Policy on Other Benefits (Non-Cash Benefit) for the Executive Directors and Senior Management; and• Policy on remuneration of Non-Executive Directors. <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 remuneration packages of the Executive Directors and Senior Management are structured based on the responsibilities and aligned with the business strategies. This is to ensure that the long-term objectives of the Company can be achieved, and able to attract, retain and motivate Directors and Senior Management that well-equipped with the required skillset in managing the business of the Company effectively and efficiently. Their remuneration packages commensurate with the performance of the individual, skills, experience,</p>

	<p>responsibilities undertaken as well as their on-going performance against the pre-set KPIs. Review of the existing Senior Management’s remuneration package is under the purview of the GMD which is performed yearly while the employees’ performance appraisal/increment review are conducted semi-annually. The RC will include “sustainability” as one of the KPIs of the Executive Directors and Senior Management moving forward.</p> <p>For Non-Executive Director, the level of remuneration 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 Company. 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 Eupe’s website at https://www.eupe.com.my/investor-relations.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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

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

Practice 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.

Application	:	Applied		
Explanation on application of the practice	:	The Board had established a RC that consists of exclusively INED, as follows:		
		Name	Designation in RC	Directorship
		Datuk Tan Hiang Joo	Chairman	Independent Non-Executive Chairman
		Iskandar Abdullah @ Sim Kia Miang	Member	Independent Non-Executive Director
		Kek Jenny	Member	Independent Non-Executive Director
		The RC reviews and recommends to the Board the remuneration packages of the Executive Directors and Senior Management pursuant to the TOR of RC. Whereas for the fee packages of Non-Executive Directors, approval from shareholders shall be obtained.		
		The TOR of RC is available on Eupe's website at https://www.eupe.com.my/investor-relations .		
Explanation for departure	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
Measure	:			
Timeframe	:			

Intended Outcome

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	The Directors did not receive any remuneration from its subsidiaries except for the GMD and Executive Director. The details of the remuneration of the Directors received/ receivable from the Group and the Company during the FY2022 are appended in the page below.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Defined contribution	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Defined contribution	Other emoluments	Total
1	Datuk Tan Hiang Joo (Chairman)	Independent Director	60.0	-	-	-	-	16.4	76.4	-	-	-	-	-	-	-
2	Alfian Bin Tan Sri Mohamed Basir	Independent Director	60.0	-	-	-	-	8.0	68.0	-	-	-	-	-	-	-
3	Iskandar Abdullah @ Sim Kia Miang	Independent Director	60.0	-	-	-	-	13.8	73.8	-	-	-	-	-	-	-
4	Kek Jenny	Independent Director	60.0	-	-	-	-	13.8	73.8	-	-	-	-	-	-	-
5	Tham Sau Kien	Independent Director	42.5	-	-	-	-	5.6	48.1	-	-	-	-	-	-	-
6	Beh Yeow Seang	Non-Executive Non-Independent Director	60.0	-	-	-	-	8.8	68.8	-	-	-	-	-	-	-
7	Dato' Beh Huck Lee (GMD)	Executive Director	-	-	-	-	-	8.8	8.8	-	-	600.0	95.0	90.3	3.8	789.1
8	Muhamad Faisal Bin Tajudin	Executive Director	-	-	-	-	-	4.8	4.8	-	-	384.0	22.7	44.8	2.8	454.3

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.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<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 Note 35 to the Audited Financial Statements for FY2022, which allows shareholders to make an appreciable link between the Company's overall remuneration structure and the Company'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 Company'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 Company, 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>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The RMAC is chaired by Encik Iskandar Abdullah @ Sim Kia Miang, an INED who is distinct from the Chairman of the Board. He is a Fellow of the Institute of Chartered Accountants in England and Wales.</p> <p>The Chairman of the Board is Datuk Tan Hiang Joo, an INED who is a practicing lawyer.</p> <p>Having the positions of Board Chairman and Chairman of the RMAC assumed by different individuals, it allows the overall effectiveness and independence of RMAC as the Board can review the RMAC's findings and recommendations with unfettered objectivity.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is 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.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board recognises the need to uphold the independence of the External Auditors from the Board and Management. The Terms of Reference of the RMAC and the External Auditors' Policy and Procedures currently provide that a former key audit partner is required to observe a cooling-off period of at least two (2) years before being appointed as a member of the RMAC as to safeguard the integrity and independence of the audit process.	
		As at to date, none of the members of the RMAC are former key audit partner of external audit firm(s) servicing the Company. Nonetheless, the Terms of Reference of the RMAC will be reviewed and amended to lengthen the cooling-off period to three (3) years.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	<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 External Auditors' independence and effectiveness in performing the audit before recommending their re-appointment as the Company's External Auditors.</p> <p>On 15 June 2022, the RMAC had assessed the External Auditors, RSM Malaysia on their quality of services, sufficiency of resources, communication and interaction, independence, objectivity and professional scepticism in accordance with the TOR of RMAC. The AC also reviewed the nature and extent of non-audit services rendered by RSM Malaysia during FY2022 and concluded that the provision of non-audit 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 for the audit of the FY2022, and recommendation had been made to the Board for the re-appointment of RSM Malaysia as the External Auditors of the Company, and was subsequently put forth to the shareholders for approval at the 26th AGM to be held on 25 August 2022.</p> <p>For further details, please refer to the RMAC Report in pages 76 to 79 of the Annual Report 2022.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

There is 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.

Application	:	Adopted		
Explanation on adoption of the practice	:	The RMAC comprises solely Independent Directors, as follows:		
		Name	Designation in RMAC	Directorship
		Iskandar Abdullah @ Sim Kia Miang	Chairman	Independent Non- Executive Director
		Kek Jenny	Member	Independent Non- Executive Director
		Alfian Bin Tan Sri Mohamed Basir	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.

Application	:	Applied
Explanation on application of the practice	:	<p>All members of the RMAC are financially literate. The Chairman of RMAC is a Fellow of the Institute of Chartered Accountants in England and Wales while the rest of the RMAC members are Members of the Malaysian Institute of Accountants.</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 the Group's risks management and internal control systems.</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 Company's financial reporting process, transactions and other financial information, and effectively challenge Management's assertions on the Company's financial during the RMAC meetings.</p> <p>The RMAC, also through discussion with Senior Management, analysed the Group's income and expenditures against previous corresponding period and also against immediate preceding quarter, quarter to quarter as well as year to date and seeks explanations from Management on financial performance as to detect any financial anomaly and ensure the financial statements are consistent with operational and other information.</p>

	<p>In addition, the RMAC also received assurance from the CFO and the External Auditors that the financial statements are prepared in full compliance with the Malaysian Financial Reporting Standards (MFRS) and disclosures as per MMLR of Bursa Securities, and give a true and fair view of the financial position and performance of the Group.</p> <p>For the financial year under review, the performance and effectiveness of the RMAC and each of its members had been evaluated by the NC concurrently with the annual Board assessment. The Board, via NC 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>All RMAC members are aware of the need to continuously update their knowledge in the areas of accounting and auditing standards and enhance their skills to enable them to sustain their active participation during deliberation. In line with this, the RMAC members have made efforts in keeping themselves abreast of relevant developments by attending various training programmes and seminars organised by relevant regulatory authorities and professional bodies. Apart from continuous training, the RMAC also regularly briefed by the External Auditors on key changes in relation to accounting standards and financial reporting standards.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<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 risk 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 controls 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 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 in pages 70 to 75 of the Company's Annual Report 2022 for further information.</p>

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

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognised 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 2022 outlines the Group's risk management framework and its state of internal control.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 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.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Eupe 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 regards 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">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;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 for improvements;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;d. Major audit findings, reservations or material weaknesses and the Management's response and actions taken to resolve the audit issues reported during the year and other activities as authorised by the Board;e. The appointment or re-appointment of the Internal Auditors and their fees and if appropriate, to recommend to the Board for approval; andf. The annual performance assessment of Internal Auditors including their suitability, objectivity and independence. <p>For further details on the Group's internal audit function, please refer to RMAC Report in page 79 of the Annual Report 2022.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	<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 on internal controls and risk management framework every quarter, to provide reasonable assurance that the system and framework continue to operate effectively and efficiently.</p> <p>Ms. Melissa Koay (“Ms 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). Ms 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 during the course of their work.</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>
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company strives to maintain an open transparent channel of communication, guided by the Corporate Disclosure Policy of the Company, with its shareholders and stakeholders, analysts and the public at large with the objective of providing a clear and complete picture of the Group's performance and financial position.</p> <p>The Corporate Disclosure Policy outlines the Company's policy 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.</p> <p>The Company maintains an open communication policy with its shareholders and stakeholders, and welcomes feedback from them. Whenever deemed appropriate, the Board or the relevant management personnel will respond to their queries or opinions.</p> <p>The communication channels used in the Company's engagement with its shareholders and stakeholders include:</p> <ul style="list-style-type: none">• Company's website;• Announcement to Bursa Securities;• Annual Report;• General meetings;• Newsletter; and• Dialogues with investors, analysts and media briefings (as appropriate). <p>Investors and members of the public who wish to access or seek clarifications on corporate and financial information such as the quarterly announcement of the Group's financial results, announcements or disclosures made pursuant to the disclosure requirements of MMLR of Bursa Securities and other corporate information and events related to the Group, can also contact the Company through the following channels:</p>

	<p>Phone : +604 441 4888 (Sungai Petani, Kedah) +603 7610 0636 (Kota Damansara, Selangor) Fax : +604 441 4548 (Sungai Petani, Kedah) +603 7610 0651 (Kota Damansara, Selangor) Email : enquiry@eupe.com.my Website : https://eupe.com.my</p> <p>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 respond to shareholders' concerns and queries.</p>	
Explanation for departure		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure		
Timeframe		

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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.

Application	:	Applied
Explanation on application of the practice	:	<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. The notice of the AGM was circulated to the shareholders at least twenty-eight (28) clear days before the date of AGM, well in advance of the 21-day requirement under the CA 2016 and MMLR of Bursa Securities. This allows shareholders sufficient time to peruse the Annual Report and information relating to the resolutions proposed.</p> <p>The Notice of AGM which outlines the resolutions to be tabled during the AGM, is accompanied with detailed explanatory notes and background information where applicable to provide particulars on the matters that will be decided at the AGM. This information would help the shareholders in understanding and evaluating the matters involved, and making informed decisions in exercising their voting rights.</p> <p>Due to the pandemic, the 25th AGM of the Company was conducted fully virtual on 7 September 2021. The Notice of the 25th AGM was issued and made available on the Company's website and a nationally circulated newspaper on 30 July 2021, which is more than 28 days before the AGM.</p> <p>The 26th AGM is scheduled to be held on 25 August 2022 with the Notice of AGM to be issued on 30 June 2022, giving the shareholders more than 28 days' notice. In order to achieve the widest possible dissemination, the Company also published the notice of the 26th AGM on the Company's website and a nationally circulated newspaper.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	<p>Due to the Covid-19 pandemic, the 25th AGM of the Company held on 7 September 2021 was conducted fully virtual via the online meeting platform - GoToWebinar. All the participants including the Chairman of the Board, GMD, CFO, the Company Secretary and the External Auditors attended the 26th AGM remotely using the GoToWebinar.</p> <p>During the 25th AGM, the GMD gave an overview presentation on the Group's business operations, projects' key milestones, the Group's focus for the financial years 2021 and 2022 and the impact of Covid-19 pandemic. Whereas the CFO presented on the Group's business portfolio and notable achievements, financial performance of the Group for the past 5 years as well as the Group's strategy and future developments.</p> <p>On top of that, questions which were raised by the Minority Shareholders Watch Group (MSWG) in relation to strategic and financial matters and corporate governance and responses from Management were also shared with all the participants during the 25th AGM.</p> <p>For the Question & Answer session, the Chairman ensured that sufficient opportunities were given to shareholders to raise issues relating to the affairs of the Company by allocating ample of time to the session. All queries raised by shareholders during the 25th AGM had been clarified and responded by the GMD and CFO succinctly.</p> <p>All the resolutions set out in the Notice of the 25th AGM were put to vote by poll and were duly passed. The outcome of the 25th AGM was announced to Bursa Securities on the same day. The Minutes of the 25th AGM together with the responses from the GMD an CFO to questions raised by the shareholders was published on the Company's website within 30 business days after the 25th AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The 25th AGM of the Company was conducted fully virtual via the online meeting platform GoToWebinar.</p> <p>During the 25th AGM, the shareholders used the remote participation and voting facilities provided by Mega Corporate Services Sdn. Bhd., the Share Registrar of the Company, to raise questions to the Chairman or Board members. All resolutions set out in the Notice of the 25th AGM were voted remotely using the Digital Ballot Form (DBF) application in the same platform. A step-by-step administrative guide video was played prior to the start of the AGM to assist shareholders on the registration, participation and voting using the DBF platform. The Administrative Notes was also published in the Company's website to encourage shareholders' participation.</p> <p>The Company had put in place stringent procedures to safeguard against data privacy and cyber threats during the conduct of 25th AGM. Upon shareholders/proxies' registration for the 25th AGM, a meeting link was generated for each shareholder/proxy, and the meeting link is unique to that individual. Before the meeting link is sent out to the participants, it is subject to 2-tier verification. Firstly, the Scrutineer verified the meeting link accuracy against the records of the shareholders/proxies. Secondly, before the shareholders/proxies are admitted into the GoToWebinar platform, Mega Corporate Services Sdn Bhd verified and filtered out any participants who demonstrated suspicious activities. The GoToWebinar organiser had the capacity to track each individual's participation and eliminate multiple login attempts. After the 25th AGM ended, all data was deleted for data protection purpose.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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>	
Application	: Applied
Explanation on application of the practice	: <p>The 25th AGM was conducted entirely on a fully virtual basis using GoToWebinar platform that allows remote participation of Directors and shareholders and their appointed proxies. The virtual AGM engenders greater shareholders' participation as it facilitates electronic voting and remote participation including the right to pose questions to the Board and/or Management of the Company and vote at the AGM. Mega Corporate Services Sdn Bhd was appointed as the service provider for the conduct of the AGM including registration and electronic polling services.</p> <p>The Chairman and the Board of Directors endeavour to respond to the questions submitted by the shareholders which are related to the business operations as well as resolutions to be tabled at the AGM. Shareholders were encouraged to submit questions not later than 48 hours before the commencement of the AGM to enhance the efficiency of the proceedings of the meeting. Questions which were received in advance or during the AGM were addressed by the GMD and CFO within the time allotted for the Questions & Answers session. Answers to questions received are published as part of the Minutes of the AGM on the Company's website at www.eupe.com.my/investor-relations.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 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>	
Application	: Applied
Explanation on application of the practice	: As mentioned in Practice 13.2 and 13.3, the 25 th AGM of the Company held on 7 September 2021 was conducted fully virtual via an online meeting platform – GoToWebinar. A step-by-step administrative guide was issued to assist shareholders on the registration, participation and voting using the platform prior to the meeting day. The Administrative Notes was also published in the Company’s website to encourage shareholders’ participation. Prior to the 25 th AGM, a dry run was conducted to ensure that technical issues were resolved up front and were in working order. Visual and audio tests were conducted to ensure that participants at other locations would be able to access the virtual meeting and participate in the 25 th AGM without any hinderance. Mega Corporate Services Sdn Bhd was appointed as Poll Administrator to facilitate the poll voting process while Cygnus Technology Solutions Sdn Bhd was appointed as Independent Scrutineer to verify the poll results. The Poll Administrator briefed the shareholders and proxies on the remote voting procedures and the manner to pose questions at the meeting. Besides, sufficient time was given to the shareholders to raise question and concern over the Company’s affairs as well as proposed resolution which required shareholders to cast their votes.
Explanation for departure	:

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

Measure :		
Timeframe :		

Intended Outcome

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>	
Application	: Applied
Explanation on application of the practice	: The Minutes of the 25 th AGM of the Company held on 7 September 2021 was circulated to the shareholders, via publishing on the Company's website on 28 September 2021, which is within 30 business days after the 25 th AGM. The Minutes of the 25 th AGM is available on Eupe's website at https://www.eupe.com.my/investor-relations .
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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