

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0174
COMPANY NAME : EVD Berhad
FINANCIAL YEAR : June 30, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("the Board") has collective oversight and responsibility for the overall long-term success of EVD Berhad ("the Company") and its subsidiaries ("the Group") and the delivery of sustainable value to its shareholders and other stakeholders.</p> <p>Each member of the Board has exercised good stewardship, acted in good faith in a professional manner with utmost integrity and accountability, in executing their fiduciary duties and responsibilities.</p> <p>The key duties and responsibilities discharged by the Board during the period under review have been to:</p> <ul style="list-style-type: none">(i) Set the strategic direction and vision of the Group;(ii) Ensure there is a robust corporate governance framework in place for the success of the business;(iii) Adopt a strategic plan and carry out regular reviews and evaluate Management's performance against these plans and objectives;(iv) Organise and plan Environmental, Social and Governance ("ESG") initiatives by integrating sustainability considerations in the Group's corporate strategy, governance, decision making processes and operations;(v) Set the tone from the top and culture towards effective risk management and internal control in all aspects of the Group's activities;(vi) Ensure that the Board and Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of the Board and Management;(vii) Ensure that the Company has in place procedures to enable effective communication and appropriate disclosure to its shareholders and other stakeholders;(viii) Ensure that the Board members are financially literate by providing adequate training, where applicable; and

	(ix) Ensure each member of the Board receive accurate reports on a timely basis that would provide them with a reasonable basis to make proper and informed judgement on an ongoing basis as to the financial position and business prospect of the Group.	
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 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>On 11 March 2024, Datuk Wong Sak Kuan was appointed as the new Chairman of the Board, in place of Datuk Dr. Syed Muhamad bin Syed Abdul Kadir who resigned on even date.</p> <p>The Board Chairman ensured that the Board served a common purpose, was effective on all aspects of its role as a Group and at individual Director level, and upheld and promoted the highest standards of integrity and corporate governance. His responsibility carried out amongst others were to:</p> <ul style="list-style-type: none"> a) Set the Board's agenda and ensured the Board received complete and accurate information on a timely manner so that informed decisions can be made; b) Lead and promote effective and active participation amongst the Directors during meetings and ensured adequate time is available for discussion of all agenda items. He also acted as a conduit between the Board and Management; and c) Ensure there was effective communication between both the Board and Management with shareholders, other stakeholders and the public in general on the Group's performance, sustainability strategies, priorities and targets. <p>The roles and responsibilities of the Chairman is set out in the Board Charter which was approved and adopted by the Board. The Board Charter can be accessed on the Company's corporate website at https://evd-berhad.com.</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>Datuk Wong Sak Kuan, a Non-Independent NonExecutive Director, serves as Chairman of the Company, whilst the responsibility of overseeing and managing the day to day operational and business development activities of the Group lies with Mr. Mah Seong Huak who is the Executive Director, Operations (“ED Operations”). Besides Mr. Mah, Mr. Wong Kok Sing is also an Executive Director of the Company, who is responsible for overseeing and managing all project related operations of the Group.</p> <p>The roles and responsibilities of Board Chairman and both Executive Directors are kept distinct and separate so that there is an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. This also ensures no one has unfettered powers of decision and authority.</p> <p>The roles and responsibilities of the Chairman and ED is set out in the Board Charter which was approved and adopted by the Board. The Board Charter can be accessed on the Company's corporate website at https://evd-berhad.com.</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 1.4

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	: Applied
Explanation on application of the practice	: At present, the Chairman of the Board, Datuk Wong Sak Kuan is not a member of Audit and Risk Management Committee, Nomination Committee or Remuneration Committee and he did not participate in the meeting.
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	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	: Choose an item.

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 well-supported by qualified Company Secretaries. During the period under review, the Company Secretaries carried out the following duties, among others: -</p> <ul style="list-style-type: none"> a) Ensured compliance of regulatory requirements by providing updates on including but not limited to the Listing Requirements and the CA 2016 to the Board; b) Advised and reminded the Directors of their obligations to disclose their interest in securities, any conflict of interest and related party transactions; c) Advised and reminded the Directors on the prohibition on dealing in securities during closed period and the restriction on disclosure of price sensitive information; d) Supported the Board by ensuring adherence to Board practices and procedures, rules, relevant laws and best practices on Corporate Governance; e) Attended all Board and Board Committee meetings to ensure that meetings are properly convened, and that accurate proper records of the proceedings and resolutions passed are made and maintained accordingly; and f) Facilitated the annual Board assessments, as well as assessment on Board committees and the Directors.
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 1.6

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>All meeting materials were circulated at least five (5) days or such period as agreed by the Board and Board Committees prior to each meeting to provide the Directors with sufficient time to read and prepare for the respective meetings.</p> <p>The Board and Board Committee Papers included the following:</p> <ol style="list-style-type: none">1. Minutes of the previous meetings of the Board and Board Committees;2. Report on the Group's operational and financial performance;3. Announcements required to be made to Bursa Malaysia Securities Berhad;4. Report on related party and/or recurrent related party transactions;5. Summary report of share dealings by the Directors;6. Written resolutions circulated in between Board meetings requiring notation of the Board; and7. Any other relevant documents and information/matters requiring deliberations, approval and/or notification. <p>All Directors ensured the minutes of the Board and Board Committee meetings captured and reflected accurately matters that were deliberated and decided, including any Directors who had abstained from voting and/or deliberating on any particular matter.</p> <p>The draft minutes were circulated prior to and were tabled at each of the following Board and Board Committee meeting for confirmation. The Chairman of the Board and the respective Chairpersons of the Board Committees duly signed and approved the minutes upon the concurrence of the minutes by all Directors. All Board and Board Committee meeting minutes were kept at the Registered Office.</p> <p>Urgent matters that required the Board's decision outside of the planned Board Meetings, were carried out via circular resolutions in writing supported by the necessary board papers for the Board's consideration. All written resolutions that were approved by the Board were subsequently tabled for notation at the following Board Meeting.</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 established a Board Charter that provides a structured framework and is a reference point to Directors, as it specifies the roles and fiduciary responsibilities of the Board in upholding the highest standards of corporate governance. The Board Charter also sets out key values and principles for the conduct of the Board.</p> <p>The Board as a whole has ultimate decision-making responsibilities with the exception of certain reserved matters requiring shareholders' approval.</p> <p>The Board established the AC, RMC, NC and RC with delegated authority to assist them in discharging their duties and responsibilities. Their functions are set out in specific Terms of References.</p> <p>Given the size of the Board and Company, on 15 November 2023, the Company merged its Audit Committee (“AC”) and Risk Management Committee (“RMC”) to a single Board Committee known as ARMC.</p> <p>The Board Charter which was approved and adopted by the Board, can be accessed on the Company's corporate website at https://evd-berhad.com.</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 Company established a Code of Conduct and Work Ethics Policy that advocates and requires the Company to exercise restraint and practise a philosophy based on principles of integrity, transparency, accountability and corporate social responsibility. The core values and principles embedded in the policy requires the organisation to:</p> <ol style="list-style-type: none">1. Observe the highest standard of corporate governance and comply with all laws, rules and regulations;2. Act honestly, ethically and professionally with objectivity, integrity and accountability ensuring at all times any acts are carried out in good faith and in the best interest of the Company including declaring, abstaining and participating in any deliberations and decisions where there is any conflict situations;3. Observe the highest standard of business conduct upholding the Company's zero-tolerance policy for corruption and bribery in compliance with its Anti-Bribery and Anti-Corruption Policy. The Company discourages the offering, giving or receiving of any gifts and any other form of benefits (in kind, cash, favours etc.) from persons or entities who deal with the Company who can benefit from such gratification;4. Maintain at all times the confidentiality of sensitive and non-public information of the Company and abstaining from taking advantage of any insider information for personal gains;5. Take reasonable care, protecting and safeguarding Company's assets; and6. Be aware and mindful of anti-laundering laws and to promptly raise any suspicious transactions that may be used by parties to launder money in the Company. <p>The Code of Conduct and Work Ethics Policy and the Anti-Bribery and Anti-Corruption Policy which were approved and adopted by the</p>

	Board, can be accessed on the Company's corporate website at https://evd-berhad.com .	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company established a Whistle Blowing Policy to provide employees and any other third parties who perform work or provide services for and on behalf of the Company with an anonymous and confidential avenue to report any misconduct, wrongdoings, fraud or corruption that they encounter involving the interest of the Company.</p> <p>The policy sets out guidelines to:</p> <ol style="list-style-type: none"> 1. Govern the reporting of improper conduct; 2. Protect and keep confidential the identity of whistle blowers in compliance with the Whistleblowing Protection Act 2010; and 3. Set out procedural steps that will be taken upon a report being lodged to ensure such matters are investigated and addressed urgently. <p>Reporting of any unlawful or unethical practices is encouraged and should be made in writing and/or email to the ARMC Chairman at whistleblowing@evd.com.my.</p> <p>The Whistle Blowing Policy which was approved and adopted by the Board, can be accessed on the Company's corporate website at https://evd-berhad.com.</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 Board acknowledged the importance of having a sustainable ESG framework and policy in the Company that helps promote sustainable business practices that creates long-term value and at the same time ensuring the business operates responsibly with full accountability.</p> <p>The Board has overall oversight over sustainability strategies, priorities and targets during the year.</p> <p>The ED Operations/ED together with the Management team was responsible to ensure such sustainable initiatives were implemented in the operations of the Company under his stewardship and leadership.</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>The Board acknowledged that whilst it has overall responsibility over sustainability strategies, priorities and targets, it must also ensure such initiatives are communicated to all internal and external stakeholders in a clear and transparent manner, so that stakeholders can have an appreciation of the efforts carried out by the Company in this respect.</p> <p>The information presented should encompass a complete view of the Company's sustainability risks and opportunities, strategies, priorities, targets and overall performance against targets set.</p> <p>The Company addressed this via a Sustainability Statement in the Annual Report as a medium to communicate its sustainability programmes to internal and external stakeholders. The Sustainability Statement aims to provide stakeholders with an overview of the economic, environmental and social efforts made and how such actions have been embedded as part of the fabric and culture of the Company's operations.</p> <p>The Group prepared its statement in compliance to ACE Market Listing Requirements and consistent to its Safety, Health and Environment, Quality procedures provided under ISO 45001:2018, ISO 14001:2015 and ISO 9001:2015.</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>The NC assessed the training needs of the Board during the year. As part of the assessment of the types of training required, training that enabled and kept the Board abreast of developments in the ESG front was at the top of mind for the NC.</p> <p>The training programmes attended by the respective Directors during the year, included training relating to sustainability. The details of trainings attended are set out in the Corporate Governance Overview Statements in the 2024 Annual Report.</p> <p>Company Secretaries also provided regular updates to the Board on changes to the Listing Requirements and other regulatory requirements upon receiving circulars from Bursa Securities and other regulators, which are relevant to the Company and provided advice on corporate disclosures and compliances issues.</p> <p>The environment that we work and live in today is under threat with global warming. Any initiatives, be it on a small or on a large scale sets the right tone in moving towards reducing carbon emissions.</p> <p>The Group is cognisant that its operations at work sites will have an impact on the environment and as such, the Group has taken proactive steps to mitigate the impact by managing material wastes at work sites.</p> <p>The Group adhered to policies and operating standards under ISO 45001:2018, ISO 14001:2015 and ISO 9001:2015 – Safety, Health and Environment, Quality Management System. In addition to the above, the Group also complied with all regulatory laws and regulations during the year.</p>
Explanation for departure	:	

Intended Outcome

<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 4.4

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, the EDs and the Management team understood their roles and responsibilities in promoting sustainable business practices within an ESG framework and policy. They performed their respective roles in view of the above and addressed material sustainability risks and opportunities.</p> <p>The Board and Senior Management has taken initiative to evaluate the performance of the Board to address the Group’s strategic and business plans which promoted sustainability material matters was assessed and evaluated.</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 4.5- 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	:	Adopted
Explanation on adoption of the practice	:	The Board understand the importance of top management duties to ensure an effective implementation and maintenance of sustainability strategies and initiatives. The Board appointed a management representative as well as management committee work group to support its strategy and ensure it success.

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 Board acknowledged that having the right balance of talent with the required experience and skills set in its composition is critical in ensuring its effectiveness and its ability to discharge its duties and responsibilities. The above criteria was applied to new appointments and/or re-appointments to the Board.</p> <p>The NC established an assessment form based on the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") as guidelines to evaluate and appraise the performance of individual Directors during the year. Criteria used covered Director's attendance at the Board and Board Committee meetings, any additional roles and responsibilities assumed, adequacy of preparation, contributions and inputs made in the Board and Board Committee meetings.</p> <p>The Terms of Reference of NC were updated and adopted and can be accessed in the Company's website at https://evd-berhad.com.</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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board composition currently comprise of six (6) members, two (2) of which are Executive Directors, two (2) are Non-Independent Non-Executive Directors while two (2) are Independent Non-Executive Directors.	
		The composition of the Board complies with Rule 15.02 of the ACE Market Listing Requirement which requires at least one-third (1/3) of the Board comprising of Independent Directors.	
<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 established a Board Charter that included the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. If beyond nine (9) years, NC provides their recommendation and the Board may propose a further extension at the shareholders meeting through a two-tier voting process, subject to a cumulative period of not more than 12 years from the date of his first appointment as Independent Director.</p> <p>There were no Independent Directors serving in the Board who have exceeded a cumulative term of nine (9) years during the year.</p> <p>The Board Charter can be accessed on the Company’s corporate website at https://evd-berhad.com.</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 5.4 - Step Up

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

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

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 established a Board Diversity Policy and acknowledged that having a diversified Board is critical in ensuring its effectiveness. Candidates identified to the Board were considered and evaluated not only based on merits but also keeping in mind the need to maintain diversity and independence.</p> <p>In view of this, the NC has considered individuals from different cultural background, age and gender groups with a mix of qualifications, experiences and skills, independence and time commitment required collectively for the Board, amongst others.</p> <p>The detailed profile of the Directors are set out in the 2024 Annual Report.</p> <p>The Board Diversity Policy which was approved and adopted by the Board and can be accessed on the Company’s corporate website at https://evd-berhad.com.</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	:	

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 Board is responsible for all appointment of new Directors. Notwithstanding the above, the Board delegated the NC the task of scrutinising and reviewing the suitability of candidates to ensure the process was conducted objectively in a transparent manner.</p> <p>The NC took into account the Board’s required mix of skills, diversity, knowledge, industry exposure, expertise and experience, professionalism, integrity, competencies, time commitment and other relevant qualities of the candidates, before recommending their appointments to the Board for approval.</p> <p>The NC would source for potential Board candidates from nominations from the existing Board members, suggestions from Management and/or shareholders as well as referrals from external sources where applicable. To widen their search, the NC would also consider the use of external consultants for suitable candidates.</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
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	: Applied
Explanation on application of the practice	<p>The profiles of the respective members of the Board and their interest in shareholdings in the Company are disclosed in the 2024 Annual Report.</p> <p>During the financial period under review, the Board with the recommendation from the NC, had appointed new Directors namely Datuk Wong Sak Kuan, Mr Wong Kok Sing, Mr Wong Koon Wai, Mr Lim Wei Foong and Ms Lee Wai Fun, in place of the resigned Directors, namely Ms Chui Mee Chuen, Mr Ir. Hon Hin See, Datuk Dr Syed Muhamad bin Syed Abdul Kadir, Mr Ir. Gan Wee Peng and Mr Lee Chi Hoe.</p> <p>The NC carried out an assessment on the performance of Datuk Wong Sak Kuan, Mr Wong Kok Sing, Mr Wong Koon Wai, Mr Lim Wei Foong and Ms Lee Wai Fun who will be retiring as Director pursuant to Clause 115, while Mr Mah Seong Huak will be retiring as Director pursuant to Clause 110 of the Constitution of the Company, at the forthcoming 4th Annual General Meeting ("AGM").</p> <p>The assessment includes the diversity of the Board, probity, personal and financial integrity, competency, diligence, independence of mind and fairness, understanding of their roles and responsibilities, attendance at Board and Board Committee meetings, any additional roles and responsibilities assumed, adequacy of preparation, contributions and inputs made in Board and Board Committee meetings.</p> <p>The Board has included a Statement in the Explanatory Notes accompanying the Notice of AGM that the Board recommended for the re-election of the retiring Directors.</p> <p>The profile of the Directors who are due for retirement and being eligible for re-election, which includes the nature of interest with the Company, if any, are set out in the 2024 Annual Report of the Company.</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
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 is chaired by Mr Lim Wei Foong who is an Independent Non-Executive Director of the Company.	
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	:		

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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>Currently, the Board has one (1) female Director representation on its Board composition. This complies with Rule 15.02 of the ACE Market Listing Requirement requiring one (1) female director on its Board.</p> <p>Notwithstanding the above compliance, the Board recognised that diversity in its composition is critical in ensuring its effectiveness and good corporate governance. A truly diverse board will make use of differences in gender, age, skills, experience, cultural background, ethnicity and nationality of its members. In line with this, the Company has put in place a Board Diversity Policy and under the Terms of Reference of the NC, commits to ensuring that all Directors are appointed based on merit.</p> <p>The Board Diversity Policy which was approved and adopted by the Board, can be accessed on the Company’s corporate website at https://evd-berhad.com.</p>	
<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
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 Company acknowledged its social responsibility to ensure that its organisation comprises of a work force that is well diversified not only from different backgrounds with different skills and experiences but also in terms of gender representation.</p> <p>To reflect upon this responsibility, the Board embraced this requirement of fair gender representation within the Board and Senior Management appointments.</p> <p>Currently, the Board consists of six (6) Directors, one (1) of which is a female Director, representing 16.67% of the composition of the Board. Whilst this complies with Rule 15.02 of the ACE Market Listing Requirements, to avoid any mismatch and ineffective appointment of female Directors, the Board viewed that the size and female representation in the Board currently is sufficient for it to exercise good oversight and in discharging its role and fiduciary duties effectively. Notwithstanding the above, the Board through the NC will take small incremental steps to work towards having more female Directors in the Board.</p> <p>To nurture diversity within the Group, the Company would endeavour to provide suitable working environment that is free from harassment and discrimination, and to provide fair and equal opportunities to all employees 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	:	

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 Board understand the importance of formal and objective annual evaluation to determine the effectiveness of the Board and its committees.	
	Various assessment forms that set out key evaluating criteria was established as an assessment tool to evaluate the effectiveness of the Board and Board Committees as a whole and performance and contributions of individual Directors at Board and Board Committee meetings.	
	The criteria used and in the assessment forms covers the following:	
	Evaluation	Assessment Criteria
	Board and Board Committee as a whole	<ol style="list-style-type: none"> <u>Board mix and composition</u> <ul style="list-style-type: none"> • Clear division of roles and responsibilities • Separation of roles of the Chairman and /EDs • Board balance, size, composition, competency, independence, time commitment and diversity • Board structure and administrative procedures <u>Quality of information and decision making</u> <ul style="list-style-type: none"> • Quality, accuracy and timeliness of dissemination of information • Communications and contributions made • Procedures to resolve conflicts

Intended Outcome

		<ul style="list-style-type: none"> • Access to information, management and role of Chairman in managing discussions and conflict situations
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		<p>3. <u>Board room activities</u></p> <ul style="list-style-type: none"> • Understanding of individual roles and responsibilities • Effectiveness and decision making • Performance evaluation framework • Stakeholder communication and management • Risk management • Succession planning • Appointments and diversity representations • Discussions, decision making, contributions and time commitments <p>4. <u>Board relationship with management</u></p> <ul style="list-style-type: none"> • Open interaction with management
	Audit & Risk Management Committee	<p>1. <u>Quality and composition</u></p> <ul style="list-style-type: none"> • Roles and responsibilities of all parties • Quality, accuracy and timeliness of dissemination of information • Succession planning <p>2. <u>Skills and competencies</u></p> <ul style="list-style-type: none"> • Independence technical competency • Reporting to authorities <p>3. <u>Meeting administration and conduct</u></p> <ul style="list-style-type: none"> • Efficiency and effectiveness • Quality, accuracy and timeliness of dissemination of information • Access and relationships with internal and external auditors • Independence of internal and external auditors • Reporting to Board and actions taken

	Executive Directors	<ol style="list-style-type: none"> 1. <u>Fit and proper</u> <ul style="list-style-type: none"> • Experience, competency • Integrity, honesty, professional conduct • Risk management and controls oriented 2. <u>Contribution and performance</u> <ul style="list-style-type: none"> • Open and frank discussions • Probe and question • Conflict management • Prioritise risks and issues • Effectiveness in decision making 3. <u>Calibre and personality</u> <ul style="list-style-type: none"> • Preparation for meetings • Honesty and integrity • Leadership and persuasiveness • Effective communication skills
	Non-Executive Directors	<ol style="list-style-type: none"> 1. Attendance at Board and Board Committees' meeting 2. Adequate preparation for Board and/or Board Committees' meetings 3. Understanding of roles and responsibilities 4. Regular contribution to Board/Board Committee meetings 5. Personal input to the role

Intended Outcome

	<p>The assessment forms adopted by the NC above were based on MCCG 2021, as guidelines to evaluate the following:</p> <ol style="list-style-type: none"> 1. Diversity of the Board taking into consideration the skills set, experience, age, cultural background and gender composition; 2. Performance of Non-Executive Directors taking into consideration their experience and competency ensuring individual Director has the right skills, experience, capability and commitment necessary to conduct his or her role; 3. Effectiveness of the Board and Board Committee as whole; 4. Independence of individual member of the Board and Board Committee; 5. Performance and effectiveness of the AC and RMC; and 6. Time and commitment to participate and contribute to Board and Board Committee deliberations. <p>The performance and effectiveness of the retiring directors was assessed and evaluated by the NC.</p> <p>The NC then recommended to the Board the re-election of Directors who are due to retire pursuant to the Constitution of the Company subject to Shareholders' approval at the forthcoming 4th AGM to be held on 10 December 2024.</p> <p>The Board is satisfied with the overall assessment and concludes that the Board, Board Committees and each Director has discharged their fiduciary duties and responsibilities as prescribed under the laws and regulations.</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>		

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>The remuneration of Non-Executive and Executive Directors and Senior Management are outlined in the Director and Senior Management Remuneration Policy. The Policy was established with the objective to attract, motivate and reward Directors and Senior Management, the quantum of which will be commensurate with the experience, expertise, responsibilities undertaken and contributions made to the Company to manage the business effectively.</p> <p>The remuneration of Non-Executive Directors comprises fees, meeting allowances and other benefits in performing their duties as a Non-Executive Director.</p> <p>Executive Directors and Senior Management remuneration consists of basic salary, fixed allowances, performance based bonus, benefit-in kind, Employee Share Option Scheme and other incentives where applicable.</p> <p>The policy was established based on certain key guiding principles:</p> <p><u>Non-Executive Directors</u></p> <ol style="list-style-type: none"> 1. The remuneration of Non-Executive Directors holding office shall not be based on commission or a percentage of profits or turnover; and 2. Any fees and benefits payable will be subject to Shareholder's approval at each AGM. <p><u>Executive Directors and Senior Management</u></p> <ol style="list-style-type: none"> 1. Fixed salaries and allowances will be paid based on individual's scope of duties and responsibilities; 2. Performances bonuses will be discretionary, based on individual's performance assessment; and

Intended Outcome

	<p>3. Benefits-in-kind will be based on the Company’s Human Resource policy which will be in accordance with market practises.</p> <p>The Remuneration Policy will be subjected to review by the Board from time to time. The Board may make any necessary amendments to the policy to ensure it remains consistent and relevant with the Board’s objectives, current laws and practices.</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>		

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	:	<p>The RC comprise of three (3) members, two (2) of whom are Independent Non-Executive Directors, while one (1) is Non Independent Non-Executive Director. The members and their profiles are disclosed in the 2024 Annual Report.</p> <p>The RC's role is to review and assess objectively the performance of the Directors and Senior Management.</p> <p>The evaluation of Directors amongst others, takes into account their attendance at Board and Board Committee meetings, any additional roles and responsibilities assumed, adequacy of preparation for Board and Board Committee meetings, effective contributions and inputs made at Board or Board Committee meetings, and any other contributions made to the Board or Board Committee as a whole.</p> <p>As for the performance evaluation of Executive Directors and Senior Management, their assessment will be benchmarked against key performance indicators and deliverables, amongst others, extent of achieving financial targets, strategic initiatives implemented, sustainability of the business, environmental and social objectives, regulatory and corporate compliance, business growth, shareholder value creation, organisation and succession planning and personal input to the role.</p> <p>In each instance, each Director shall abstain from any deliberations and voting on matters that pertain to their own remuneration.</p> <p>The RC understand the importance of an annual review of the Directors' remuneration, recommended a remuneration that is commensurate and competitive which can sufficiently attract and retain Directors of calibre that has the skills and experience to effectively manage the Company to achieve its long-term strategies.</p> <p>The RC having conducted an annual review of the Senior Management's remuneration and recommend the same to the Board.</p>

Intended Outcome

	<p>The Terms of Reference of the Remuneration Committee was approved and adopted by the Board and can be accessed on the Company's corporate website at https://evd-berhad.com.</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>		

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	<p>The Board is aware of the requirements to disclose on a named basis the remuneration of all Directors.</p> <p>The remuneration of Non-Executive Directors comprising fees, allowances and benefits are subject to shareholders' approval at the AGM.</p> <p>Due to confidentiality and personal security concerns, the Company has opted not to disclose the remuneration of Executive Directors on a named basis. In addition, the Board is also of the view that such disclosure maybe detrimental to its business interest, given the industry's competitiveness.</p> <p>Executive Directors' remuneration were derived after careful consideration following a detailed and diligent evaluation process by the RC taking into consideration their experience, contribution and commitment in discharging their responsibilities and the financial performance of the Company. Their remuneration packages recommended are commensurate with the roles and responsibilities they assumed.</p> <p>The Board has adopted an alternative disclosure, by disclosing the Executive Directors' remuneration in bands of RM50,000 on an unnamed basis included under the remuneration of key Senior Management. The Board is of the view that by doing so, it sufficiently and appropriately meets the objective of transparency.</p> <p>The remuneration breakdown of individual directors which includes the fees, salaries, benefits in-kind and other emoluments are as follows:</p>

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>Similar to the non-disclosure on a named basis for Executive Directors, the Company has opted not to disclose the remuneration of key Senior Management on a named basis for confidentiality reasons. In addition, the Board is also of the view that such disclosure may be detrimental to its business interest, given the industry's competitiveness.</p> <p>The Board has adopted an alternative disclosure, by disclosing the Executive Directors and Senior Managements' remuneration in bands of RM50,000 on an unnamed basis included under the remuneration of key Senior Management below:</p> <table border="1"> <thead> <tr> <th rowspan="2">Range of Remuneration</th> <th>Group</th> </tr> <tr> <th>No. of Key Senior Management Officer</th> </tr> </thead> <tbody> <tr> <td>RM50,000 to RM100,000</td> <td>1</td> </tr> <tr> <td>RM300,001 to RM350,000</td> <td>1</td> </tr> <tr> <td>RM400,001 to RM450,000</td> <td>1</td> </tr> <tr> <td>RM450,001 to RM500,000</td> <td>3</td> </tr> <tr> <td>RM700,001 to RM750,000</td> <td>1</td> </tr> <tr> <td>RM1,150,001 to RM1,200,000</td> <td>1</td> </tr> </tbody> </table> <p>The Board is of the view that by doing so it sufficiently and appropriately meets the objective of transparency.</p>	Range of Remuneration	Group	No. of Key Senior Management Officer	RM50,000 to RM100,000	1	RM300,001 to RM350,000	1	RM400,001 to RM450,000	1	RM450,001 to RM500,000	3	RM700,001 to RM750,000	1	RM1,150,001 to RM1,200,000	1
Range of Remuneration	Group																
	No. of Key Senior Management Officer																
RM50,000 to RM100,000	1																
RM300,001 to RM350,000	1																
RM400,001 to RM450,000	1																
RM450,001 to RM500,000	3																
RM700,001 to RM750,000	1																
RM1,150,001 to RM1,200,000	1																
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>																	
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.															

Timeframe	:	Choose an item.	
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No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

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>Mr Wong Koon Wai, an Independent Non-Executive Director serves as Chairperson of the AC.</p> <p>Datuk Wong Sak Kuan, a Non-Independent Non-Executive Director serves as the Chairman of the Board.</p> <p>The positions of Chairperson for the Board and AC are held by separate persons to ensure impartiality.</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 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	:	Applied
Explanation on application of the practice	:	<p>The independence and impartiality of external auditors are paramount and any possible conflict of interest is to be avoided at all cost.</p> <p>To address this, the Terms of Reference of the ARMC requires specifically that a former external partner of the audit firm of the Company observe a cooling-off period of at least three (3) years before being eligible to be appointed as a member of the ARMC.</p> <p>During the financial period under review, no former partner of the Company’s external audit firm is a member of the ARMC.</p> <p>The Terms of Reference of the ARMC which was approved and adopted by the Board can be accessed on the Company’s corporate website at https://evd-berhad.com.</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 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 ARMC has put in place a review process to assess the suitability, objectivity and independence of its external auditors.</p> <p>The review will assess the calibre, quality of processes, audit team, audit scope, communications, audit governance, independence and audit fees of the audit firm.</p> <p>On an annual basis, the external audit firm will be required to confirm in writing to the ARMC their independence within the scope of the provisions of the By-Laws on Professional Independence of the Malaysian Institute of Accountants and their own internal firm requirements on independence.</p> <p>In addition, the audit firm is also precluded from providing any other services that may impair their independence or their role as external auditors.</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 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 :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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>The Chairman of the ARMC, Mr Wong Koon Wai, is a member of Certified Practising Accountant (CPA) Australia and a member of the Malaysian Institute of Accountants ("MIA"). Collectively, the members of the ARMC are financially literate, competent, understand matters under the purview of the ARMC and are equipped with a wide range of skills to discharge their duties and responsibilities.</p> <p>During the financial period under review, the ARMC kept abreast of relevant developments in accounting and auditing standards and laws and regulations.</p> <p>In addition, the external auditors briefed the ARMC on the developments and changes in Accounting Standards and amendments to the Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and relevant requirements under the Companies Act 2016.</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 is responsible for and is committed to ensure that the Group puts in place and maintains a sound system of internal controls and risk management framework. The Board determines the Group's overall risk appetite and risk tolerance within which the Board expects Management to operate.</p> <p>Management has primary responsibility for identifying, assessing, monitoring, reporting and developing actions that can minimise or mitigate key business risks to the Board.</p> <p>The Company adopted the Group Risk Policy in line with ISO 9001:2015 quality procedure for Risk Management. This risk management framework helps to identify, assess and manage risks that may impact the achievement of the Group's business objectives and strategies. It is however, not intended to eliminate risks but how risks as whole can be managed.</p> <p>Internal control systems provide reasonable but not absolute assurance against fraud, material misstatement or losses which is achieved through a combination of preventive, detective and corrective measures.</p> <p>To meet the objectives above, the Board delegated the responsibility for reviewing the adequacy and effectiveness of the risk management and internal control systems to the ARMC, their roles and responsibilities of which are set out in the Terms of Reference of ARMC. Further details on risk management and internal controls are outlined in the Statement on Risk Management and Internal Control in the 2024 Annual 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>		

Intended Outcome

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	:	The features of the risk management and internal control framework and the adequacy and effectiveness of this framework are disclosed in the Statement on Risk Management and Internal Control in the 2024 Annual Report.	
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	:	Adopted
Explanation on adoption of the practice	:	The Company had on 15 November 2023 merged the Risk Management Committee as the "Audit and Risk Management Committee" (ARMC) to oversee risk and risk management. The ARMC comprises of 2 Independent Directors and 1 Non-Independent Non-Executive director.

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>The Board advocates and promotes good corporate governance and recognises its responsibility to ensure there is adequate and effective internal controls in the Company. The Company currently outsource the internal audit function to GovernanceAdvisory.com Sdn Bhd, an independent internal audit service provider.</p> <p>To ensure the internal audit function is effective in all respect, the ARMC carries out an assessment annually. The ARMC applies stringent processes in their evaluation, which covers an assessment of the independent internal audit service provider's performance, suitability and independence. An annual assessment form, which sets out best practises criteria is used to assess their performance.</p> <p>The ARMC also obtains assurances from the independent internal audit service provider confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of their engagement and in compliance with all relevant professional and regulatory requirements.</p> <p>For as long as the independent internal audit service provider is engaged by the Company, they are precluded from providing any other services that may impair their independence or give rise to a conflict situation in their role as Internal Auditors.</p> <p>The ARMC carried out an assessment of the internal audit function covering the following areas:</p> <ol style="list-style-type: none">1. Independence and governance of the internal audit form;2. Robustness of processes used in the audit;3. Adequacy of resources of the internal audit firm;4. Competency and experience of the engagement team; and5. Quality of report and communications of the engagement team. <p>The details of the internal audit function and activities are set out in the Audit and Risk Management Committee Report in 2024 Annual Report.</p>
Explanation for departure	:	

Intended Outcome

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 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 Board in discharging their duties and responsibilities engaged the GovernanceAdvisory.com Sdn Bhd (“GA”), an independent internal audit service provider to act as the internal auditor of the Company. GA have been tasked to carry out a review of the robustness of the internal control system of the Company based on a risk-based audit.</p> <p>Mr Wong Tchen Cheg of GA is the Executive Director responsible for the internal audit of the Group. He has more than fifteen 15 years of experience in Financial Due Diligence and Internal Audit covering compliance reviews, internal audits, risk management, and financial due diligence. His experience extends also to ISO 31000 and SOX compliance audits. He is an associate member of The Institute of Internal Auditors Malaysia (“IIAM”), Certified Practising Accountant (“CPA”) and a member of the Malaysian Institute of Accountants (“MIA”). GA is a corporate member of the IIAM.</p> <p>The number of staff engaged in the internal audit reviews ranged from 2 to 3 per visit. GA had confirmed to the AC that they are independent and free from any relationships or conflicts of interest, which could impair their objectivity and independence. GA was not involved nor have they assumed any operational responsibilities or have any authority over any of the activities audited.</p> <p>The ARMC has evaluated the performance of the Internal Auditors and have found them to have the necessary experience and resources to satisfy their terms of reference.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Intended Outcome

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 Board recognises and acknowledges that providing accurate, timely and transparent information on the Group's performance and position is important for stakeholders. To this end, the Board is committed to ensure stakeholders are kept abreast of the Group's performance so that they can make informed decisions.</p> <p>The Company actively engages and communicates with its stakeholders broadly using the following channels:</p> <ol style="list-style-type: none"><u>1. Investor Relations Section of the Company's corporate website</u> The Investor Relations Section of the Company's corporate website gives stakeholders and the members of the general public access to the Group's financial statements, announcements made to Bursa Securities, share price information, corporate governance charters and policies and notices of general meetings. This information is assessable via the Company's corporate website at https://evd-berhad.com<u>2. Annual Report</u> The Annual Report provides investors, shareholders and members of the general public with key information on the Company's business, governance, performance and other key activities.<u>3. Quarterly result announcements</u> Quarterly financial results, circulars and various announcements are made via Bursa LINK in full compliance with regulatory authorities' disclosure requirements.<u>4. General Meetings</u> The AGM and Extraordinary General Meetings ("EGM") represent the primary platforms for direct two-way interaction and engagement between shareholders and the Board/Management of the Company. Shareholders are encouraged to actively participate in the meeting raising questions relevant to the AGM agenda and seek appropriate response and clarification from the Board/Management.

Intended Outcome

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 12.2

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	:	The Notice of the 4th AGM of the Company to be held on 10 December 2024 will be sent to the shareholders on 30 October 2024, which is more than 28 days before the date of the 4th AGM.	
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>At the 3rd Annual General Meeting of the Company held on 21 June 2023, all the Directors attended the Company’s general meeting. The Board acknowledges its role and responsibilities to continuously engage and provide constructive feedback to all shareholders.</p> <p>The forthcoming 4th Annual General Meeting will provide a platform for the Company, the Board and Management to effectively communicate with shareholders.</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 4th AGM which will be held on 10 December 2024 will be conducted virtually via remote participation and electronic voting (“RPV”) using a platform provided by Securities Services (Holdings) Sdn Bhd. Securities Services (Holdings) Sdn Bhd has provided such services to other listed entities listed in Bursa Securities and their system has proven to be robust, reliable, stable and secure which can facilitate a large number of participants to attend the AGM at one time.</p> <p>This mode of meeting, provide shareholders with a convenient platform to participate and pose questions freely to the Board and Management. It also promotes remote participation by shareholders and facilitate voting to be carried out remotely without having to be physically present, thus allowing for voting to be done in absentia.</p> <p>Shareholders are encouraged to submit their questions and queries early via an email to the Company at investorrelations@evd.com.my.</p> <p>Any shareholders who are unable to attend the meeting remotely, are encouraged to exercise their voting rights by appointing any person or the Chairman of the meeting as his/her proxy to attend, participate, speak and vote in his/her stead.</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 13.4

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	: The Chairman of the Board is cognisant of the role he plays in the AGM. He is in attendance to ensure there is meaningful engagement between the Board, Senior Management and shareholders. The upcoming 4th AGM will be conducted virtually utilising the RPV platform provided by Securities Services (Holdings) Sdn Bhd. The system allows real time questions via text input to be posed and a live broadcast of the meeting proceedings to be made, thus enabling shareholders real time experience with the Board during the AGM.
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	: The 4th AGM will be conducted virtually utilising the RPV platform provided by Securities Services (Holdings) Sdn Bhd which can be accessed via a smartphone, tablet or computer as well as viewing the live webcast of the meeting. The system allows real time questions via text input to be posed and a live broadcast of the meeting proceedings to be made, thus enabling shareholders real time experience with the Board during the AGM. To ensure shareholders understand how the RPEV platform works and how the conduct and voting procedures is to be conducted, Administrative Notes setting out the guidelines and processes for shareholders and proxies on the conduct and voting procedures using the platform will be sent out prior to the AGM.
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 13.6

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 3 rd AGM was published on the Company's corporate website at https://evd-berhad.com within the stipulated days upon the conclusion of the AGM.
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
PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA
MALAYSIA**

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

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