

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 0286  
**COMPANY NAME** : Evergreen Max Cash Capital Berhad  
**FINANCIAL YEAR** : December 31, 2023

### **OUTLINE:**

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board of Directors (the "<b>Board</b>") of Evergreen Max Cash Capital Berhad ("<b>EMCC</b>" or the "<b>Company</b>"), maintains a steadfast commitment to upholding its responsibilities, ensuring the interests of shareholders and other stakeholders are protected across EMCC and its subsidiaries (collectively, the "<b>Group</b>").</p> <p>The Board is supported by the following Board Committees, with delegated specific responsibilities. The Chairman of each Committee shall report to the Board on the outcome of the Committee meetings.</p> <ul style="list-style-type: none"> <li>• Audit and Risk Management Committee ("<b>ARMC</b>")</li> <li>• Nomination and Remuneration Committee ("<b>NRC</b>")</li> </ul> <p>The Board is guided by the Board Charter. The roles and responsibilities of the Board are clearly outlined in the Board Charter, summarised by the following:-</p> <ul style="list-style-type: none"> <li>• To review, adopt and monitor the implementation of the strategic plans and annual budget for the Group;</li> <li>• To establish and carry out periodic review of the Code of Business Conduct and Ethics for the Group, including Whistleblowing Policy;</li> <li>• To identify business risks with constant monitoring of market changes and to establish a risk management framework to manage those risks in order to safeguard company assets;</li> <li>• To review the internal control and management information systems for compliance with applicable laws and regulations;</li> <li>• To establish and monitor internal audit scope to minimise fraud; and</li> <li>• To review the succession planning of the senior management.</li> </ul>

	<p>The Board Charter can be accessed on EMCC’s corporate website at <a href="https://emc.capital/">https://emc.capital/</a>. The charter will be reviewed periodically to ensure relevance with the needs of EMCC, and applicable laws and regulations.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the Board, Dato' Mohd Azfar bin Mohamed, holds an Independent Non-Executive Director ("INED") role, and is primarily responsible for the orderly conduct and functioning of the Board, instilling good corporate governance practices, leadership and ensuring the effectiveness of the Board.</p> <p>The Chairman is primarily responsible for, but not limited to, the following:-</p> <ul style="list-style-type: none"> <li>• To lead and chair Board meetings in proper manner;</li> <li>• To ensure all relevant issues are tabled on the Board agenda;</li> <li>• To ensure compliance with Board Charter;</li> <li>• To ensure timely dissemination of Board papers by the Company Secretary to the Board members; and</li> <li>• To encourage all Directors play an active role in Board activities.</li> </ul> <p>The roles and responsibilities of the Chairman are outlined in the Board Charter, which can be accessed on EMCC's corporate website at <a href="https://emc.capital/">https://emc.capital/</a>.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group has a Group Managing Director (“GMD”), and a Chief Executive Officer (“CEO”). The positions of the Chairman, the GMD, and the CEO are held by three (3) different individuals. Our governance structure ensures a clear separation of roles and responsibilities between the Chairman, and the GMD / CEO to promote a balanced distribution of authority and accountability.</p> <p>Dato’ Mohd Azfar bin Mohamed serves as the Chairman of the Board, whilst the GMD is Dato’ Low Kok Chuan, and the CEO is Ms. Sing Suk Fuen.</p> <p>The Chairman is accountable for the stewardship and smooth functioning of the Board. The GMD plays a crucial role in shaping the strategic direction and ensuring the overall success of the Group, while the CEO oversees the day-to-day operations and businesses, ensuring smooth functioning and alignment with company goals. Both the GMD and CEO maintain open communication with the Board, providing timely and accurate reports on relevant matters.</p> <p>The Board Charter states that the GMD is responsible for implementing the policies, strategies, and decisions made by the Board. Additionally, the GMD maintains open communication with the Board, providing timely and accurate reports on any material and relevant matters.</p> <p>The distinct and separate roles and responsibilities of the Chairman, and GMD are outlined in the Board Charter, which can be accessed on EMCC’s corporate website at <a href="https://emc.capital/">https://emc.capital/</a>.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.4

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

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

### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by three (3) suitably qualified and competent Company Secretaries who possess valid Practising Certificates issued by the Companies Commission of Malaysia (“CCM”). They have the requisite credentials and are qualified to act as company secretary under Section 235 of the Companies Act 2016.</p> <p>The Company Secretaries are present for all Board and Board Committee meetings and act as an advisory role to the Board, particularly in regard to the Group’s Constitution, Board policies and procedures as well as compliance with regulatory requirements, codes, guidance and legislations.</p> <p>The Company Secretaries also serve as the main point of contact for stakeholders and matters relating to corporate governance. The Board is updated by the Company Secretaries on new statutory and regulatory requirements concerning their duties and responsibilities from time to time.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 1.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board meets on a regular basis, with a minimum of four (4) scheduled meetings in a financial year.</p> <p>Non-financial Board papers are to be circulated at least five (5) days prior to the Board meeting. Meanwhile, financial materials must be circulated at least four (4) days in advance. This enables the Directors to have sufficient time to peruse the papers and seek further clarification before each meeting.</p> <p>Meeting papers should be clear and concise, providing essential information to the Board, enabling effective deliberation and decision-making.</p> <p>Upon conclusion of the Board meeting, the draft minutes is circulated to our Board for comments to ensure that the minutes of meeting accurately reflected the deliberations and decisions of our Board. These minutes will be tabled for confirmation at the following Board meeting, and then signed by the Chairman who presided over the recorded meeting or by the Chairman of the next meeting.</p> <p>In FY2023, a total of two (2) Board meetings were conducted, with full attendance from the Directors. This is following EMCC's listing on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 26 September 2023.</p> <p>Apart from the Board members, Senior Management ("SM"), as well as other external professionals may also be invited to attend the meetings to assist in the discussions of concerns raised.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		



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

### Intended Outcome

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

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

### Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has formalised a Board Charter and Terms of References (“TOR”) of respective Board Committees, serving as a primary guidance, detailing the roles and responsibilities of the Board in accordance with the principles of good corporate governance set out by regulatory authorities.</p> <p>The Board Charter shall be reviewed periodically by the to ensure its relevance in assisting the Board in the discharge of duties while adhering to any changes that may have arisen in corporate laws and regulations.</p> <p>The Board Charter is accessible on EMCC’s corporate website at <a href="https://emc.capital/">https://emc.capital/</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	We acknowledge that a formal Code of Conduct and Ethics is not currently in place at EMCC.	
		As a recently listed company on Bursa Malaysia Securities Berhad ("Bursa Securities") in 2023, we are working towards developing our internal control frameworks, including a Code of Conduct and Ethics.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted a Whistleblowing Policy, in line with the Group's commitment to uphold values and highest standards of ethics and integrity in our business conducts. It provides an avenue for employees and members of the public to disclose any improper conduct committed or about to be committed in accordance with the procedures provided under the policy.</p> <p>The Whistleblowing Policy outlines the protection to the whistleblower, the confidentiality and safeguarding in dealing with such disclosure or report, the communication channels and the procedural flow of making the disclosure or report.</p> <p>The whistleblower can provide details on the suspected misconduct or breach of law by filling up the Whistleblowing Form, which can be downloaded from the Group's website.</p> <p>The Whistleblowing Policy is accessible on EMCC's corporate website at <a href="https://emc.capital/">https://emc.capital/</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.1**

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

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board spearheads EMCC’s sustainability agenda, providing strategic direction and oversight on ESG matters. They are supported by the key SM, and Head of Departments (“HOD”), who are responsible for ensuring the effective implementation, monitoring, and reporting of our sustainability efforts.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	EMCC’s sustainability strategies, priorities, targets and performance are publicly communicated to our internal and external stakeholders via the Sustainability Statement in the Group’s Annual Report and corporate website at <a href="https://emc.capital/">https://emc.capital/</a> .	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board, through the NC, assessed the training programmes attended by each Director during the financial year to ensure they are kept abreast with the latest development in industry as well as the sustainability issues relevant to the Group.</p> <p>In view that the Company has only become a listed entity with effect from 26 September 2023, the Board has yet to take any action with regards to climate-related risks and opportunities. Nonetheless, the Board is committed to keep abreast with sustainability concerns related to the Group's operations by taking the relevant action(s) in the coming financial years</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.4**

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Company has only been listed on 26 September 2023. The Group is looking into developing the criteria and KPI to evaluate the performance of the Board and key SM in addressing the material sustainability risks and opportunities, targeted to be ready by 31 December 2024	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

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

**Practice 4.5- Step Up**

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

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

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

## Intended Outcome

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

## Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC ensures the composition of the Board is refreshed periodically.</p> <p>In line with its TOR, the NRC conducts reviews of the Board and Board Committee composition on a regular basis, taking into consideration the mix of skills, independence, and diversity required to meet company needs. The NRC assesses the tenure and performance of individual Directors on an annual basis, with these assessments influencing recommendations for re-election.</p> <p>Pursuant to Clause 111 of the Constitution of the Company, the following Directors are to retire at the forthcoming Second Annual General Meeting ("2 nd AGM") (hereinafter referred to as "Retiring Directors"):</p> <ul style="list-style-type: none"><li>(a) Dato' Low Kok Chuan</li><li>(b) Datin Tea Kai Loon; and</li><li>(c) Mr. Low Kai Loon.</li></ul> <p>The NRC undertakes annual reviews of the Board's succession plans, considering its present size, structure, composition, and the required mix of skills, experience, and competency needed for the future.</p> <p>The NRC establishes a formal and transparent procedure to recommend eligible candidates for appointment or re-appointment to the Board. This procedure ensures that appointments are based on objective criteria, merit, and due regard for diversity.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

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

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

### Practice 5.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board currently comprises eight (8) members, with four (4) being Independent Directors (“IDs”), namely:</p> <ul style="list-style-type: none"><li>• <b>Dato’ Mohd Azfar Bin Mohamed</b> <i>Independent Non-Executive Chairman</i></li><li>• <b>Chow Lai Mun</b> <i>Independent Non-Executive Director</i></li><li>• <b>Hong Boon Toh</b> <i>Independent Non-Executive Director</i></li><li>• <b>Kenneth Chai Chuan Teong</b> <i>Independent Non-Executive Director</i></li></ul> <p>The Group complies with the criteria of Bursa Securities’ ACE Market Listing Requirements, ensuring that at least two (2) Directors or one-third (1/3) of the Board, whichever higher, are IDs.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.3

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted the policy that the tenure of an ID shall not exceed a cumulative term limit of nine (9) years.</p> <p>EMCC's Board Charter states that all Directors, including IDs, shall retire from office at least once every three (3) years, but shall be eligible for re-election. This ensures that the tenure of IDs do not exceed a cumulative term limit of nine (9) years in accordance with Practice 5.3 of MCGG 2021. Currently, all members of the Board have served for less than three (3) years on the Board.</p> <p>Upon completion of the nine (9) years, an ID may continue to serve on the Board as a Non-ID upon the recommendation of NRC to the Board for approval. If the Board intends to retain an ID beyond nine (9) years, the Board should justify and seek annual shareholders' approval through a two-tier voting process.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.4 - Step Up**

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

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

### Intended Outcome

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

### Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The current Board composition reflects a balance of Executive Directors (“EDs”) and IDs, with a mix of qualified and experienced professionals from the fields of economics, engineering, audit and accounting, among others. The Directors have diverse backgrounds equipped with industry-specific knowledge and experience. The broad spectrum of skills and experience provide the strength needed to lead the Group forward to meet its goals. The Board is of the opinion that the Directors, with their various backgrounds and specialisations, collectively bring with them the required expertise and experience to discharge the Board’s duties and responsibilities. As such, the Group is led and guided by a skilled and capable Board.</p> <p>The Board has set out the criteria for selection of candidates for directorship in the Group, including Directors who are seeking for re-election. The NRC assists the Board in assessing the suitability of a candidate of a directorship based on various considerations, including objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender..</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.6

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board remains committed to upholding high standards of governance in regard to new appointments to the Board to ensure that the Board consists of Directors who possess the skillsets, competencies and experience, to complement the Board as a whole.</p> <p>The Board ensures considerations are taken based on objective criteria such as the candidate’s experience, integrity, independence, possession of the required skill, professionalism and expertise that add value to the Board, in identifying suitable candidates.</p> <p>The Board will utilise a variety of approaches and sources available to identify suitable candidates, which may include sourcing from Directors’ network, recommendation of major shareholders, as well as independent sources.</p> <p>The NRC performs its duties in respect of the selection, nomination and appointment process of Directors to the Board under relevant laws and regulations.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

### Practice 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board strives to provide timely and transparent disclosures to shareholders. The profiles of EMCC's Directors are published in the Annual Report and on the corporate website. These include information such as their age, gender, nationality, qualification, date first appointed to the Board and current directorships outside of EMCC, among others. Meanwhile, shareholders are kept updated and informed of any changes in the Board via the Group's announcements to Bursa Securities' Listing Information Network ("Bursa LINK").</p> <p>In FY2023, the assessment in relation to the re-appointment of retiring Directors was reviewed by the NRC and recommended to the Board for approval. Their re-appointment was noted and supported by the Board upon satisfactory assessment and with recommendation by the NRC, before bringing the resolution for shareholders' approval at the Annual General Meeting ("AGM").</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The NRC currently comprises three (3) Non-Executive Directors and chaired by <b>Kenneth Chai Chuan Teong</b>, Independent Non-Executive Director of our Company.</p> <p>The composition of the NRC has been specified in the TOR of the NRC. The NRC must:-</p> <ul style="list-style-type: none"> <li>a) Consist of at least two (2) members;</li> <li>b) Comprises exclusively of Non-EDs with a majority of IDs; and</li> <li>c) Be chaired by an ID or Senior ID.</li> </ul> <p>The TOR of the NRC is accessible on EMCC's corporate website at <a href="https://emc.capital/">https://emc.capital/</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.9

The board comprises at least 30% women directors.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board supports gender diversity at all levels, including the Board. At present, the Board comprises eight (8) Directors, of whom three (3) are women:-</p> <ul style="list-style-type: none"><li>• <b>Datin Tea Guat Ngo</b> <i>Non-Independent Executive Director</i></li><li>• <b>Datin Fadzlullaily binti Yakob</b> <i>Non-Independent Non-Executive Director</i></li><li>• <b>Chow Lai Mun</b> <i>Independent Non-Executive Director</i></li></ul> <p>This constitutes 37.5% of woman representation on the Board, exceeding the 30% recommendation by the MCCG 2021.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.10**

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board acknowledges the importance of gender diversity and recognise the multitude of benefits that it can bring. Nonetheless, the Board is of the collective opinion that there is no necessity to adopt a formal gender diversity policy as EMCC is committed to provide fair and equal opportunities to all within the Group.	
		At present, the Board comprises eight (8) Directors, of whom three (3) are women, constituting 37.5% of woman representation on the Board, exceeding the 30% recommendation by the MCCG 2021.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Board, through the NRC, undertakes the process to assess the effectiveness and performances of the Board, Board Committees, and individual Directors, including reviewing the required mix of skills and contribution of the Board, on an annual basis. The annual exercise is undertaken by using self and peer rating by the Chairman of the NRC. The outcome shall be discussed with the Chairman of the Board.  The annual review of the Board as a whole, the Board Committees and the individual Directors for FY2023 concluded that the Board and its Committees had continued to operate effectively towards fulfilling their duties and responsibilities as the members of the Board and Board Committees throughout the year under review.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board delegates to the NRC the responsibility to set the principles, parameters and framework relating to the Group's remuneration matters. Each Director is to be fairly remunerated for their contribution, taking into account corporate and individual performance.</p> <p>The remuneration package of the EDs includes fixed salaries, bonuses, and other emoluments, among others. The EDs concerned do not play a part in deciding the remuneration package and shall refrain from discussions relating to their remuneration. The NRC will recommend the remuneration package to the Board for the Board's review.</p> <p>Meanwhile, Non-EDs, including INEDs, shall be paid fixed fees and meeting allowances. The Board as a whole, with the assistance of the NRC, determines the fees and allowances for INEDs, with each Director concerned abstaining from any decision with regards to his or her own remuneration. The Directors' annual fees shall reflect their respective job scopes and levels of responsibilities.</p> <p>The aggregate annual Directors' fees and other benefits payable are to be approved by shareholders at the AGM based on recommendations of the Board.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

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

## Intended Outcome

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

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

## Practice 7.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC currently comprises three (3) Non-Executive Directors and majority Independent Director of our Company. The duties and responsibilities of our RC as stated in its Terms of Reference, includes but not limited to the followings: -</p> <ol style="list-style-type: none"> <li>1. <b>Candidate Selection for Directorship:</b> Evaluate and recommend suitable candidates for director positions based on their skills, knowledge, professionalism, integrity, and ability to fulfill responsibilities, especially for Independent Directors.</li> <li>2. <b>Board Composition and Diversity:</b> Annually review and ensure a balanced mix of skills, business experiences, and diversity (gender, ethnicity, age) on the Board, while providing training programs for directors.</li> <li>3. <b>Performance Appraisal:</b> Assess the performance, experience, credibility, and effectiveness of each director, including Independent Directors, Managing Director, and Executive Directors, and document evaluations.</li> <li>4. <b>Decision-Making Effectiveness:</b> Evaluate each director's contribution to the Board's decision-making process, ensuring active and efficient functioning of the Board.</li> <li>5. <b>Committee Performance Review:</b> Review annually the performance of the Audit and Risk Management Committee and its members to ensure compliance with terms of reference.</li> <li>6. <b>Board and Committee Effectiveness:</b> Assess the overall effectiveness of the Board and its committees.</li> <li>7. <b>Independence of Directors:</b> Review and assess the independence of Independent Directors.</li> <li>8. <b>Re-Election/Re-Appointment Recommendation:</b> Recommend re-election/re-appointment of directors to the Board as per the company's Constitution.</li> <li>9. <b>Succession Planning:</b> Oversee the development of succession planning for the Board and senior management.</li> </ol>



	<p>10. <b>Remuneration Packages:</b> Review and recommend appropriate remuneration packages for Group Managing Director, Executive Directors, and Non-Executive Directors, ensuring compliance with policies, guidelines, and legal requirements.</p> <p>11. <b>Remuneration Policy Formulation:</b> Formulate policies, guidelines, and criteria for remuneration packages for directors and senior management.</p> <p>12. <b>Fair and Appropriate Remuneration:</b> Ensure fair and appropriate remuneration for directors based on industry standards and individual performance.</p> <p>13. <b>Component Composition:</b> Determine the composition of remuneration components such as basic salary, bonus, and benefits for the Group Managing Director and Executive Directors.</p> <p>14. <b>Attractive Remuneration Packages:</b> Ensure remuneration levels are attractive to retain directors and link rewards to individual performance.</p> <p>15. <b>Compliance:</b> Ensure all remuneration packages comply with relevant laws, regulations, and guidelines.</p> <p>16. <b>Other Delegated Functions:</b> Attend to functions delegated by the Board for the benefit of the company and ensure effective discharge of duties.</p> <p>17. <b>Other Assignments:</b> Undertake additional functions or assignments delegated by the Board as needed.</p> <p>The TOR of the NRC is accessible on EMCC’s corporate website at <a href="https://emc.capital/">https://emc.capital/</a>.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	In line with best corporate governance practices, the disclosure of the remuneration of Directors is made on a named basis in respect of the FY2023 as at 31 December 2023, as shown below:

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Mohd Azfar bin Mohamed	Independent Non-Executive Chairman	60.0	Input info here	Input info here	Input info here	Input info here	Input info here	60.0	60.0	Input info here	Input info here	Input info here	Input info here	Input info here	60.0
2	Dato' Low Kok Chuan	Non-Independent Executive Director / Group Managing Director	Input info here	Input info here	180.0	15.0	Input info here	Input info here	195.0	Input info here	Input info here	180.0	15.0	Input info here	Input info here	195.0
3	Datin Tea Guat Ngo	Non-Independent Executive Director	Input info here	Input info here	180.0	15.0	Input info here	Input info here	195.0	Input info here	Input info here	180.0	15.0	Input info here	Input info here	195.0
4	Low Kai Loon	Non-Independent Executive Director	Input info here	Input info here	180.0	15.0	Input info here	Input info here	195.0	Input info here	Input info here	180.0	15.0	Input info here	Input info here	195.0
5	Datin Fadzlullaily binti Yakob	Non-Independent Non-Executive Director	60.0	Input info here	Input info here	Input info here	Input info here	Input info here	60.0	60.0	Input info here	Input info here	Input info here	Input info here	Input info here	60.0
6	Chow Lai Mun	Independent Non-Executive Director	72.0	Input info here	Input info here	Input info here	Input info here	Input info here	72.0	72.0	Input info here	Input info here	Input info here	Input info here	Input info here	72.0

7	Hong Boon Toh	Independent Non-Executive Director	60.0	Input info here	Input info here	Input info here	Input info here	Input info here	60.0	60.0	Input info here	Input info here	Input info here	Input info here	Input info here	60.0
8	Kenneth Chai Chuan Teong	Independent Non-Executive Director	60.0	Input info here	Input info here	Input info here	Input info here	Input info here	60.0	60.0	Input info here	Input info here	Input info here	Input info here	Input info here	60.0

**Intended Outcome**

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

**Practice 8.2**

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

<b>Application</b>	:	Departure					
<b>Explanation on application of the practice</b>	:						
<b>Explanation for departure</b>	:	The Board is of the opinion that the disclosure of the remuneration of the key SM shall not be on a named basis as it is imperative for the Group to maintain our employees’ remuneration private and confidential and avoid discontentment among employees and to further address talent retention issues.					
		For the financial year ended 31 December 2023, the aggregate total remuneration (in the band of RM50,000) of the key SM personnel, who are not Directors of the Company, are as follows:					
		<table border="1"> <thead> <tr> <th>Remuneration band per annum</th> <th>No. of key management</th> </tr> </thead> <tbody> <tr> <td>RM150,000 to RM200,000</td> <td>2</td> </tr> <tr> <td>RM200,001 to RM250,000</td> <td>1</td> </tr> </tbody> </table>	Remuneration band per annum	No. of key management	RM150,000 to RM200,000	2	RM200,001 to RM250,000
Remuneration band per annum	No. of key management						
RM150,000 to RM200,000	2						
RM200,001 to RM250,000	1						
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>							
<b>Measure</b>	:						
<b>Timeframe</b>	:						

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

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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

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



**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The ARMC Chairman is Ms. Chow Lai Mun, whilst the Board is chaired by Dato’ Mohd Azfar bin Mohamed. This ensures that the Board is able to objectively review audit findings and recommendations.</p> <p>This segregation of duties ensures the effectiveness and independence of the ARMC and enabled the Board to objectively review the ARMC’s findings and recommendations.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Group recognises the need to uphold independence. The ARMC's TOR has incorporated a policy that a person who is a former key audit partner of the external auditor of the Group must first observe a cooling-off period of at least three (3) years before he/she can be considered to be appointed as a director or a member of the ARMC of the Group.</p> <p>No former key audit partner of the Group has been appointed to the Board or employed by the Group.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The ARMC is responsible in assisting the Board in assuring the independence of the Group's external auditors, including reviewing the audit plan, internal controls, and audit reports.</p> <p>The ARMC is granted explicit authority to investigate any activity within its TOR and has full, unrestricted access to all information and resources to perform its duties.</p> <p>Under its TOR, the ARMC is responsible for the nomination, appointment, and re-appointment of external auditors, including the audit fees.</p> <p>The ARMC is accorded the authority to meet with the external auditors without the presence of EDs, at least twice a year.</p> <p>During FY2023, the external auditor had confirmed to the ARMC members of their independence throughout the conduct of the audit engagement for FY2023 with the Group in accordance with the independence criteria set out under the By Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.</p> <p>The ARMC assessed the objectivity, independence and service quality of Messrs. ChengCo PLT, the external auditor for the financial year ended 31 December 2023, and was satisfied that they were sufficiently resourced and had demonstrated their objectivity, independence and proficiency in carrying out the audit according to the audit scope and plan.</p> <p>The Board has in turn, recommended the same for shareholders' approval at the forthcoming 2nd AGM of the Company.</p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Applied
<b>Explanation on adoption of the practice</b>	:	<p>The ARMC currently comprises three (3) members, all of whom are IDs:</p> <ul style="list-style-type: none"><li>• <b>Chow Lai Mun (Chairman)</b> <i>Independent Non-Executive Director</i></li><li>• <b>Hong Boon Toh (Member)</b> <i>Independent Non-Executive Director</i></li><li>• <b>Kenneth Chai Chuan Teong (Member)</b> <i>Independent Non-Executive Director</i></li></ul>

## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The ARMC consists of members with professional experience coming from various professions such as accounting, finance, economics, and taxation, enabling the ARMC to effectively perform their roles and responsibilities.</p> <p>All members of the ARMC are financially literate and have carried out their duties in accordance with the TOR of the AC.</p> <p>The ARMC members are expected to update their knowledge and enhance their skillsets continuously by attending training programmes from time to time, to keep themselves abreast of latest developments in accounting and auditing standards, practices, rules and regulations. The list of trainings/seminars/conferences attended by members of the ARMC is disclosed in the Corporate Governance Overview Statement of EMCC's Annual Report FY2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 10.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has authorised the ARMC to provide oversight on the establishment and implementation of a risk management framework and reviewing the effectiveness of the framework in identifying and managing risks and internal processes, which include but not limited to ensuring the adequacy of risk management policy and infrastructure to facilitate the implementation of action plans for risk management.</p> <p>The objectives of this framework are to ensure that the quality of the Group’s offerings is sustained, while monitoring the risk culture and processes across the Group, to secure opportunities and manage risks that might affect the Group’s reputation and strategic goals.</p> <p>The Statement on Risk Management and Internal Controls (“SORMIC”) is set out in EMCC’s Annual Report 2023, providing an overview of the state of internal controls and risk management system within the Group.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 10.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Risk Management is regarded by the Board to be a vital part of the system of internal control and good management practice that strengthens the business planning processes. The Group has an ongoing and systematic risk management process to identify, evaluate and manage the risks and to ensure that appropriate risk treatments are set in place for risk mitigation to achieve the Group’s business objectives.</p> <p>The Board, through the ARMC, oversees the risk management matters of the Group, evaluating the adequacy and effectiveness of the Group’s risk management and internal control systems.</p> <p>The disclosure of the features of its risk management and internal control framework, its adequacy and effectiveness are set out in the SORMIC in EMCC’s Annual Report FY2023.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

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

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

### Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The ARMC currently comprises three (3) members, all of whom are IDs:</p> <ul style="list-style-type: none"><li>• <b>Chow Lai Mun (Chairman)</b> <i>Independent Non-Executive Director</i></li><li>• <b>Hong Boon Toh</b> <i>Independent Non-Executive Director</i></li><li>• <b>Kenneth Chai Chuan Teong</b> <i>Independent Non-Executive Director</i></li></ul>

**Intended Outcome**

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

**Practice 11.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board has authorised the ARMC to review the effectiveness of the internal audit function.</p> <p>The Group has outsourced its internal audit function to an independent financial services provider, Indah Corporate Governance Sdn Bhd (“Internal Auditor”), which assists the ARMC in the discharge of its duties. The Internal Auditor reports their findings on the risks and reliability of the internal control framework to the ARMC.</p> <p>The ARMC had carried out an annual performance assessment of the Internal Auditors for review of the independence, effectiveness and efficiency of the Internal Auditors of the Group.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 11.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group has appointed Indah Corporate Governance Sdn Bhd, a professional consulting firm, to undertake the internal audit function.</p> <p>Ms. Tay Lee Hoon is the executive director responsible for the internal audits of our Company. She has more than 17 years of professional experience in Tax, accounting and business consulting, IPO (Malaysia / Oversea), business valuation, restructuring, turnaround, due diligence, loan application, permit / licences application, tax incentive advisory, preparation of information memorandum, financial management reporting.</p> <p>The outsourced internal auditor assigned two personnel to perform internal audits for our Group</p> <p>The outsourced internal audit performs their work by referring to a recognised framework, such as the International Professional Practices Framework issued by the Institute of Internal Auditors.</p> <p>The role of the Internal Auditor is to assist in reviewing the effectiveness of the internal control systems with regular review and appraisals whilst ensuring that there is an appropriate balance of control and risks throughout the Group in achieving its business objectives.</p> <p>The Internal Auditor reports directly to the ARMC and is given full access to documents relating to the Group and the Group's governance, financial statements and operational assessments. The Internal Auditor is free from any relationships or conflicts of interest, which could impair its objectivity and independence of the internal audit function, and does not have any direct operational responsibility or authority over any of the activities audited.</p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of effective dialogue with its stakeholders and is committed to utilise various channels to provide transparent and regular communication with shareholders and other stakeholders on various matters regarding the business, operations and financial performance of the Group.</p> <p>As EMCC was listed on the ACE Market on 26 September 2023, EMCC had released its prospectus on 29 August 2023, which provided information to facilitate the shareholders to understand the Group's background, business activities as well as objectives and expectations.</p> <p>Besides that, the Group endeavours to maintain effective, transparent and regular communication with its stakeholders through the following channels:</p> <ul style="list-style-type: none"><li>• Bursa Malaysia Securities Berhad</li></ul> <p>The Group strives to provide all material information publicly through Bursa Securities' website on a timely basis, which include quarterly results and full year financial results announcements, and other relevant material transactions undertaken by the Group.</p> <ul style="list-style-type: none"><li>• Corporate Website</li></ul> <p>Information of the Group is accessible through the Group's corporate website at <a href="https://emc.capital/">https://emc.capital/</a>, which has a dedicated Investor Relations section, providing updates on the Group, that is easily accessible by stakeholders.</p> <ul style="list-style-type: none"><li>• Annual General Meeting</li></ul> <p>The AGM also serves as a platform and principal forum for dialogue with shareholders, where they will be given the opportunity to clarify any matters on the proposed resolutions. Status of all resolutions tabled at the AGM shall be made public and announced to Bursa Securities at the end of the meeting day. The Summary of Key Matters discussed will be summarised and published on the corporate website at <a href="https://emc.capital/">https://emc.capital/</a>.</p>

	<ul style="list-style-type: none"> <li>• Annual Report</li> </ul> <p>The Group's Annual Report serves as an alternate channel of communication between the Group, its shareholders and stakeholders by outlining a series of comprehensive information of the Group, comprising business overview, financial performance, corporate governance, sustainability management, risk management, internal control system as well as the Group's prospects.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

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

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

**Practice 12.2**

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

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

**Intended Outcome**

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

**Practice 13.1**

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company will serve all shareholders at least twenty-eight (28) days' notice for the forthcoming 2nd AGM, to enable shareholders make adequate preparations before attending and participating in person.</p> <p>The Notice of the forthcoming Second Annual General Meeting will provide a detailed explanation for the resolutions proposed along with any background information and reports or recommendation that are relevant, where required and necessary, to enable shareholders to make informed decisions in exercising their voting rights.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

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

### Practice 13.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Company held its First Annual General Meeting on 28 June 2023, prior to being listed on the ACE Market of Bursa Securities.  Barring unforeseen circumstances, all Directors will be present to attend and participate at the forthcoming AGM and are prepared to engage with shareholders and prepared to engage with shareholders and provide insights into the Group and its businesses.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company was listed on the ACE Market of Bursa Securities on 26 September 2023.</p> <p>The forthcoming second (2<sup>nd</sup>) AGM will be held fully virtual and entirely via remote participation and voting. Shareholders are able to attend, speak (including posing questions to the Group/Board of Directors) and vote remotely at the AGM. Shareholders may also appoint proxies to participate on his/her behalf by submitting the duly executed proxy form to EMCC's share registrar in hard copy or by electronic means.</p> <p>The Group will conduct poll voting on all resolutions for all general meetings in compliance with the Listing Requirements of Bursa Securities, and the outcome of all resolutions proposed at the forthcoming 2<sup>nd</sup> AGM will be announced to Bursa Securities accordingly.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Chairman will ensure that general meetings support meaningful engagement between the Board, SM, and shareholders. Opportunity is given to the shareholders to ask questions and seek clarification on various matters concerning the Group including the performance and direction moving forward.  The representative of the external auditors and Sponsor will also be attending and participating in the General Meetings of the Company to respond to the queries raised by the shareholders.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**Intended Outcome**

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

**Practice 13.5**

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>		
<b>Application</b>	:	Not applicable – only physical general meetings were conducted in the financial year
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Company will ensure the Minutes of the AGM will be published on EMCC's corporate website at <a href="https://emc.capital/">https://emc.capital/</a> within 30 business days of the AGM.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

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

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

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