

# **EVERSENDAI**

**ANNUAL REPORT 2020**

## **RECOVERY WITH RESILIENCE**

## OUR VISION

To be a global leader by innovating, excelling and sustaining with our core values in new frontiers.

## OUR MISSION

- We aim to deliver sustainable value to our stakeholders by fulfilling our commitment to our clients while strengthening and forging new ties.
- We endeavour to maintain and enhance consistent performance, work culture and standards.
- We strongly believe in maximising the value of human capital and aligning it with company initiatives as a fundamental element of our business objectives.

## CORE VALUES

- Compliance to safety
- Conformance to quality
- Adherence to schedule
- Consistent client satisfaction

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Multimedia version of our annual report:

- You can view or download our annual report via this link:  
<http://www.eversendai.com/web/18th-annual-general-meeting/>
- You can also scan the QR Code on the left with your smartphone or tablet to download this annual report onto your device.

## OUR EXPERTISE

Eversendai Corporation Berhad (“Eversendai”) is recognised globally as a leading organisation in undertaking turnkey contracts for highly complex projects with the involvement of very skilled and innovative construction methodologies. Our portfolio includes structural steel, power and process plants, process modules as well as composite and reinforced concrete building structures in the Asian and Middle Eastern regions. With all our proactive approaches and with the backing of our professional services under one roof, we are contributing to the overall development of the respective regions and countries where we operate in our unique way which surpasses the satisfaction levels of all involved stakeholders.

### **Structural Steel Design & Engineering**

We provide professional, innovative, proactive and effective structural engineering solutions that bring challenging and complex structural designs into reality. We also provide qualified expertise and professional knowledge for a wide range of structural and infrastructural projects with our highly trained and experienced team of qualified engineers coupled with contemporary computer design and detailing software along with state-of-the-art techniques.

Our full-fledged engineering capabilities deliver effective outcomes by offering a comprehensive range of professionally-qualified, technically-sound structural engineering services which include detailed design and construction engineering, value engineering, connections design, erection engineering, BIM (Building Information Modeling), 3D modeling/detailing and very innovative construction methodologies for the entire spectrum of structural steel projects by meeting all the necessary and unique needs required in this specialised field.

### **Structural Steel Supply, Fabrication & Erection**

Our strategically located state-of-the-art steel fabrication facilities, which are equipped with highly skilled manpower along with advanced CNC controlled machineries, are capable of fabricating highly complex structures. We also carry out trial/control assemblies on the fabrication shop floors for all the complex structures in order to avoid any mismatches during erection to ensure that all segments and assemblies will fit with ease, and without any complications at the respective project sites. We source raw steel materials from reputable and renowned rolling mills from all over the world for all of our projects in advance without compromising on specifications and quality in order to meet the delivery requirements. Our group of companies’ overall annual fabrication capacity exceeds over 200,000 tonnes.

Our highly skilled project execution teams have completed many iconic projects across the globe by adopting innovative erection techniques including highly complicated strand jacking/sliding methods to lift heavy structures to the required heights and positions. Our track record includes complex geometrical high-rise buildings, major airports, shopping malls and industrial structures. We have all the credentials required to build the tallest, largest and longest structures in the world.

Our innovative construction methodologies have resulted in the successful and safe completion of several iconic landmark structures across the globe, which are symbols of pride in their respective nations. This has led to the creation of our unparalleled reputation with a matchless track record.

### **Composite Structure & Building Construction**

Eversendai promotes innovation and modular construction using composite materials such as steel and concrete for high-rise buildings. Along with structural steel construction activities, we also undertake concrete building structures in certain regions and countries to diversify and enhance our strength and expertise in line with our vision and company growth strategies.

### **Mechanical Fabrication, Installation & Modularisation**

We undertake Engineering, Procurement, Construction and Commissioning (EPCC) projects and have gained extensive experience in mechanical fabrication, installation and modularisation of pressure parts and non-pressure parts, piping, electrical and instrumentation, tanks, conveyor systems and installation of auxiliary equipment for power plants, windmills, oil and gas industries (for both upstream and downstream requirements). We also have the experience and capability of fabricating and constructing self-propelled jack-up barges/lift-boats, offshore buildings, process modules, topsides, jackets and piles for the oil and gas sector.

### **Renewable Energy – Offshore Wind**

We have the capability to undertake construction engineering services, procurement, fabrication works of jackets and piles, substation topside including mechanical completion, pre-commissioning, load out and sea fastening, construction of HVAC systems and architectural works.

## OUR PRESENCE

Eversendai Corporation Berhad (“Eversendai“) is one of the most sought-after structural steel turnkey and mechanical fabrication, installation and modularisation contractors in the world, having served clients in over 16 countries. Over the years, Eversendai Group has garnered an enviable reputation in the industry by executing many prestigious and complex projects, both locally and internationally.

### Past & Present Projects

Malaysia	Kuwait
Singapore	Oman
Thailand	Morocco
India	Azerbaijan
Indonesia	Algeria
Philippines	Bahrain
United Arab Emirates (UAE)	Vietnam
Saudi Arabia	Hong Kong
Qatar	

### Fabrication Facilities

Rawang, Selangor – Malaysia  
 Trichy, Tamil Nadu – India  
 New Industrial Area Doha – Qatar  
 Hamriyah Free Zone, Sharjah – UAE  
 Al Qusais Industrial Area 1, Dubai – UAE  
 RAK Maritime City, Ras Al Khaimah – UAE

## CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

Eversendai's results for year 2020 reflect an exceptionally challenging backdrop for the industry, society in general, and the global economy brought on by the COVID-19 pandemic. The year began on a very optimistic note for Eversendai with a record high outstanding order book of RM2.8 billion, which was the highest in the history of Eversendai. Unfortunately, we were unable to execute and deliver these projects in the typical normal course of project execution to unlock the outstanding order book due to Government imposed lockdowns resulting in employee and manpower movement disruption, supply chain disruptions, project stoppages and compliance to new Standard Operating Procedures ("SOPs") to prevent the spread of COVID-19. Year 2020 became a year of uncertainties due to the sudden unprecedented pandemic creating chaos and disruption to daily life and business. It was a very painful period, but we must weather this unprecedented pandemic with resilience and perseverance and overcome it to recover progressively. We have faced challenges along the way with peaks and valleys, yet this pandemic has brought not only Eversendai but the whole world to an unprecedented stand-still situation in 2020 and these COVID-19 restrictions imposed by Government's are still continuing in 2021.

Despite the COVID-19 pandemic, our core business Structural Steel Works segment has performed reasonably well, however the fabrication business focused on the Energy segment has generated poor results due to low utilisation of the fabrication yard in Ras Al Khaimah, UAE, and with the one-off impairment loss on trade receivables and the fixed costs such as depreciation despite lower activity level caused by global lockdown measures, the overall group profitability level has been eroded. The fabrication business focused on the Energy segment based in Ras Al Khaimah, UAE is slowly transforming by not only depending on the oil & gas industry but expanding into the renewables energy sector with our maiden venture into the European offshore wind projects. The first offshore wind substation jacket for Hollandse Kust Zuid Alpha Offshore Wind Farm was executed in our waterfront fabrication yard in Ras Al Khaimah, UAE and was delivered to Netherlands in July 2020. The successful delivery with high quality offshore wind substation jacket has positioned Eversendai well in the offshore wind renewable energy sector in Europe. This could propel us to further expand our presence in the offshore wind renewable energy sector globally. We have also made foray into North Africa region during 2020 by securing a 55-storey landmark luxurious tower project in Rabat, Morocco with our long-term client with well-established relationship, and the project is progressing well.

We have won 14 new projects worth RM1.33 billion in the year 2020 and our order book stands at RM2.01 billion, and more prospective projects in the pipeline to be concluded before the year end of 2021.

Eversendai also launched a corporate exercise to acquire 100% shareholding of the Vahana Offshore (M) Sdn. Bhd. ("VOSB") group. With this acquisition, Eversendai will own a business with recurring income and thus enhancing the financial stability and profitability of Eversendai, and Eversendai will be the first and the only Malaysian company to build, own and operate liftboats. VOSB group is generating EBITDA margin in excess of 50% that will be consolidated and will strengthen the bottom line of the Eversendai Group. The rationale for the acquisition was to eliminate related parties transactions, cross borrowing and create consistent recurring income for Eversendai Group. VOSB group's profit contribution will enhance Eversendai Group's earnings and earning per share. The proposed acquisition does not entail any cash outflow and is satisfied by the issuance of 10-year Redeemable Convertible Preference Shares ("RCPS") and there is no immediate impact to earnings per share.

The Group has decided to fully divest Eversendai S-Con Engineering Co Ltd ("ESECL") during the year due to lack of business opportunities and the prevailing tough and challenging business environment in Thailand. This is to streamline the Group operation and coincide with Group's strategy to direct management focus on profitable segments.

We are confident to overcome the current obstacles and challenges with our team who are strongly committed with perseverance and persistence to shape up Eversendai Group and become a stable and sustaining group going forward to ultimately reward our shareholders and maximise their value. Understanding and supports from the shareholders and various stakeholders at this moment are very much appreciated. In view of this, Eversendai has issued free warrants to all existing shareholders as an avenue to reward our shareholders support, while provide existing shareholders an opportunity to increase equity ownership in order to participate in Group's future prospect and growth and help to strengthen Group's capital base.

## CHAIRMAN'S STATEMENT (Cont'd)

### CORPORATE OVERVIEW

Business in the countries we are operating are progressing with less disruption from COVID-19 impacts now as we have adopted new standard operating procedures and social distancing as required to contain the spread of COVID-19.

The key driver for our continuous growth throughout the years would be our dedicated and competent employees who have been instrumental in exceeding our clients' expectations by ensuring delivery of highly complex projects within tight schedules. We have strictly adhered to our core values of safety, quality workmanship and timely delivery of projects entrusted to us. We have gained the trust and confidence of our satisfied and loyal clientele, earning us the incentive of being repeatedly awarded projects. We remain committed to these core values as we believe this stamps our Group's intent to dominate the various industries we are involved in and be the undisputed market leaders in the areas we serve.

### BUSINESS OVERVIEW

The Group's revenue was RM1.11 billion for the financial year ended 31 December 2020, a 28.8% decrease from RM1.56 billion reported last year. The Group recorded a RM139.1 million net loss during the year, a RM155.5 million decrease from last year. This is mainly due to delayed projects progress at planned sites which impacted by COVID-19 related lockdown measures worldwide with unavoidable fixed costs such as depreciation charges and payroll costs, coupled with a one-off impairment loss and written-off of receivables and contract assets amounted to RM71.0 million.

Our operations in Middle East have continued to contribute the largest share of the Group's revenue with 47.5% contribution. Malaysia and Singapore operations has contributed 26.1% of revenue to the Group, followed-by our India operation which contributed 15.8% revenue to the Group. It is worth to take note that our India operation is in the pace to increase its contribution to the Group with its newly secured projects of RM508.0 million in 2020 which shall unlock its value in the next 2 to 3 years.

Structural Steel Works segment continue accounted for the major revenue of the Group with 90.0% contribution. It reports a revenue of approximately RM1.0 billion during the year as compared to RM1.5 billion recorded in 2019, representing a 33.3% decrease. This is mainly due to delayed projects progress at planned sites which impacted by COVID-19 related lockdown measures as mentioned afore and has led to a loss of RM55.9 million for the segment during the year.

### RECOVERY WITH RESILIENCE

Despite many challenges, Eversendai has off to a great start this year by winning 14 new projects worth of RM1.33 billion via our group of companies in Malaysia, India, Qatar, Kingdom of Saudi Arabia, Morocco and the UAE, including projects for the offshore wind renewable energy projects from Netherland and United Kingdom which further increasing Eversendai's order book to a near all-time high of RM2.88 billion. Going into 2021, our tender book is estimated at approximately RM10 billion with interesting prospective projects in the pipeline.

### OUTLOOK

The beginning of 2021 was still mired in uncertainty as the spread of COVID-19 around the world and some countries are still continually reported resurging of infection cases. Nevertheless, International Monetary Fund has projected a 6% global growth in 2021 and moderating to 4.4% in 2022. The upward revision from 2020 reflects additional fiscal support in a few large economies, anticipated vaccine-powered recovery in the second half of 2021, and continued adaption of economic activity to subdued mobility.

Amidst the challenging global operating environment and the continued soft construction sentiment, we will remain focused on building up our recurring income base to ensure a stable sustainable income streams for the Group in the coming years. We are confident that we are well-positioned to overcome any obstacles and stay on course to achieve our business goals. We will forge ahead by harnessing the full potential of our assets, staying resilient against any adverse external shocks and continuing to deliver value to our stakeholders.

## **CHAIRMAN'S STATEMENT (Cont'd)**

### **ACKNOWLEDGEMENT**

On behalf of the Board of Directors of Eversendai, I would like to take this opportunity to firstly thank all our valued shareholders, stakeholders for their unwavering support.

I thank my management team and employees for their commitment, hard work and diligence and also thank my fellow Board members for their guidance, perspectives and perseverance in carrying out their duties over the years.

Tan Sri Dato' Nathan A/L Elumalay  
Executive Chairman & Group Managing Director

## MANAGEMENT DISCUSSION AND ANALYSIS

Eversendai Corporation Berhad (“Eversendai”) is a sought-after global organisation undertaking complex turnkey structural steel works for high-rise buildings, composite structures, long span structures, bridges and industrial plants. Eversendai has also expanded beyond construction of infrastructure and structures into mechanical works by providing design, engineering, procurement, fabrication, assembly and installation services for the power plant, offshore wind and oil & gas industries, which also includes process modules, jackets and piles, topsides, offshore buildings and jack-up barges/liftboats.

The Group has an impressive order book value of RM2.01 billion as at end of year 2020. We have constructed some of the world’s most prestigious and iconic landmark structures such as the Petronas Twin Tower 2, Kuala Lumpur International Airport and the on-going Merdeka 118 in Malaysia; the Singapore Indoor Stadium, Republic Plaza and the State Court building in Singapore; the Statue of Unity – the world’s tallest statue in India; the Burj Al Arab, ICD Tower and Burj Khalifa in Dubai; Capital Gate building, Warner Bros World and Abu Dhabi International Airport in Abu Dhabi; Hamad International Airport, Khalifa Olympic Stadium and the National Museum in Qatar; and the Kingdom Centre, King Abdullah Petroleum Studies & Research Center (“KAPSARC”), and Capital Market Authority Tower (“CMA”) Tower in Saudi Arabia.

Eversendai has an established presence in the Middle East, Malaysia, Singapore and India with a dedicated workforce of over 12,000 people and six fabrication plants in Malaysia, Dubai, Sharjah, Qatar, Ras Al Khaimah and India with a combined capacity of 200,000 tonnes of steel per annum.

The group is organised into business units and has reportable operating segments based on industry and geographical location as shown below:

### Structural Steel Works

- Malaysia and Singapore (Southeast Asia)
- India
- North Africa
- Middle East

### Energy

- Middle East

## FINANCIAL REVIEW

Eversendai has maintained a relatively stable financial status despite an increasingly challenging global economic landscape and competitive market environment, coupled with global pandemic which is remain unsubdued.

Our performance for Financial Year 2020 (“FY2020”) could not match the heights reached the year before. Nevertheless, Eversendai is well poised to enhance the growth momentum this year and in the years to come.

### Revenue

Eversendai recorded revenue of RM1.11 billion during the year in review, which was 28.8% lower than RM1.56 billion in FY2019. The lower revenue in the current financial year was due to global lock down which slowed down the work progress at sites caused by COVID-19 pandemic.

Structural Steel Works continued to be our dominant business segment, contributing 89.8% to revenue with 47.5% from the Middle East, 26.1% from Malaysia and Singapore, 15.8% from India and 0.4% from North Africa, a new geographical location we have recently penetrated. The remaining 10.2% share of revenue came from the Energy operations in the Middle East. In terms of regional contribution to revenue, the Middle east remained our largest market.



## MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

### Profits

Eversendai recorded Loss Before Tax (“LBT”) of RM132.6 million in FY2020 compared to Profit Before Tax (“PBT”) of RM28.5 million in FY2019. Profit for the year reduced by RM155.5 million, from RM16.4 million profit in the previous year to RM139.1 million loss in the current year. Regionally, Structural Steel Works segment in Middle East recorded LBT of RM40.8 million followed by Southeast Asia of RM17.1 million whilst India recorded PBT of RM1.8 million and North Africa recorded a PBT of RM0.2 million. Energy segment in the Middle East recorded loss of RM69.2 million.

Earning Per Share (“EPS”) dropped from 1.7 sen in FY2019 to Loss Per Share (“LPS”) of 17.6 sen in FY2020.

### Shareholders’ Equity, Assets and Dividend

The Shareholders’ Funds closed the financial year at RM738.7 million against RM883.5 million in FY2019, representing a decrease of 16.4%. Our net tangible assets as at 31 December 2020 shrunk to RM742.7 million, 16.2% less than RM885.8 million as at the end of the previous year. Net tangible assets per share was 0.95 compared against 1.13 the year before. The Board does not recommend any dividend for the year under review in order to develop a strong financial and investment position in order to capitalise on new growth opportunities for Eversendai. The Board is confident that its approach on this issue will augur well in the years to come by continuing to create sustainable value for all our stakeholders.

## REVIEW OF OPERATIONS: STRUCTURAL STEEL WORKS

### MIDDLE EAST

The Middle East operation is Eversendai’s long-term strength. We first set foot in this region in 1996, after winning a contract to erect the steel structures for the Burj Al Arab in Dubai, the only 7-star hotel in the world. Our key operational offices and four out of the six fabrication facilities are also located here. To date, this region remains our largest contributor, accounting for 47.5% of the total Revenue of RM1.11 billion. This is a 10.1% decrease from 57.6% of total Revenue (RM897.4 million) recorded in FY2019.

#### United Arab Emirates (“UAE”)

We have substantially completed the construction of Royal Atlantis, Jumeirah Gate, Opportunity Pavilion, Media Zone, Lifting of Link Bridge on One Za’abeel project, etc.

Revenue for UAE region have suffered with a setback in the FY2020 due to the ongoing COVID-19 Pandemic, delayed/suspended projects. The bankruptcy of one of the major main contracting companies in this region is a major setback for entire construction industry at large and this one of the potential reasons for the year end performance results. Due to this, two of the ongoing major projects affected and stopped abruptly denting the revenues and the related profits. However, these projects are going to re-start in the second half of 2021 and the employers are in the process of appointing alternate main-contractors by novating all the major specialist contractors including Eversendai. This will recoup the revenues/profits lost in year 2021.

Being the leader in the Structural steel construction, we are sure that major project assignments of worth of around RM750 million are expected to be bagged during year 2021 and discussions are in the verge of conclusion on some prestigious project assignments and expected to be signed-off during second quarter of year 2021.

The “World Expo 2021” which is a 6 months event, is scheduled to be held in Dubai from September 2021 onwards, and this major event is expected to boost the economy further by attracting more ventures and investments soon and in the upcoming years.

## MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

### Awarded Projects:

- Opportunity Pavilion
- Lift Shaft for Hospitality Care Center
- Meydan Mall Decking Works
- One Za'abeel Hotel Forecourt Canopy

### Key Ongoing Projects:

- Marsa Al Arab
- KIFAF Development Phase II
- One Za'abeel
- IL Primo A4 Tower
- A2/A3 Tower

### Kingdom of Saudi Arabia

In 2020, operation in this country has secured 3 new projects and has completed 100% construction works for 2 projects, Riyadh Metro Package-01 KAFD-Iconic Station and KAFD-Wadi Arch Suspension bridge.

Whereas the newly secured projects execution got delayed due to COVID-19 outbreak, our Kingdom of Saudi Arabia operation is concentrated to complete the minor leftover works for the projects carried forward from 2019. Accordingly, we handed over the projects won in previous years, received Taking Over Certificate for 2 projects and expected to receive 2 more Taking Over Certificates by 1st quarter of 2021.

Our Kingdom of Saudi Arabia operation have 5 projects with limited balance scope of works to carry forward in year 2021.

The construction market growth in 2020 has been drastically affected due to COVID-19. Vision 2030 of Kingdom of Saudi Arabia will show an aggressive growth in the construction industry from the first quarter of 2021. The market presently showing positive movement trend from the developers by subcontract formation for Iconic mega projects like Qiddiya and Red Sea. We are confident to secure some big packages from these iconic projects and will see upward trend in terms of growth and revenue from mid of 2021 towards coming years.

### Qatar

In 2020, Eversendai secured three projects in Qatar, adding to the eight ongoing projects. One project completed in 2020 was QIMC Tower for the Supply and Delivery of Steel Plate with shear studs inside Composite Beam.

### Kuwait

In 2020, Eversendai have not secured any new projects other than one on going project which is the Sabah Al-Salem Kuwait University – SAAF Package 1 & 2.

## SOUTHEAST ASIA

### Malaysia

Eversendai Malaysia operation was incorporated in 1982 to undertake its first project, the Dayabumi Complex in Kuala Lumpur. Eversendai Malaysia contributed RM248.5 million to Group revenue in FY2020 as compared with RM324.9 million the previous financial year.

We did not secure new contracts in FY2020 in view of a more subdued business environment primarily due to the pandemic and related lockdowns/restrictions. However, seven projects are on-going comprising primarily Power Plants in Melaka, a mega-high-rise buildings project and other mixed-use developments.

The most iconic of these projects is Merdeka PNB118 which is slated to top-out as the second tallest tower in the world. We have accomplished 98% progress at the end of December 2020 and presently the spire is under construction led by Eversendai.

## MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

### Singapore

During the year 2020, our operations in Singapore contributed a total revenue and PBT of RM41.7 million and RM9.4 million respectively.

The revenue and PBT decreased by 75.3% and 52.0% in comparison with FY2019 due to the circuit breaker implemented by the Singapore Government to battle the COVID-19 pandemic and this disruption from April to November 2020 impacted our project progress and deployment of workforce.

The construction outlook in Singapore is likely to improve in FY2021 with anticipated increase in construction demand with major projects being awarded in the civil engineering and commercial segment, we remain positive for FY2021 and increasing our order book by securing the phase 2 projects of a data centers and one high rise building structures (which has been delayed due to the pandemic) and expecting to increase the revenue and PBT in year 2021.

### INDIA

The pandemic happened in year 2020 was unprecedented and is a challenging one for our India operation too, where local government-imposed lockdown measures, projects stoppage, delay in awarding new projects, labour returning to their places, delayed collection etc., This has affected the overall revenue and profits for India. Though the project activities picked up in the later part of 2020, it took further three months to recover to the normal levels of operation.

India operation has secured 3 major projects in the end of year 2020, i.e. DLF Downtown, Taramani at Chennai with estimated contract value of RM316.2 million, Sahiti Commercial Building with estimated contract value of RM178.7 million and Hamon with estimated contract value of RM13.1 million. The market is still sluggish in India as new orders is expected only by the third quarter of 2021. There are several new project enquiries which are encouraging but expected to materialise only by the third quarter of 2021. India economy is showing lot of positive signal and bounced back quicker than expected and estimated to grow in double digits for the coming year where construction industry would grow to higher volumes.

Eversendai's India operation has established and positioned well in the market and poised to win good contracts in the coming years. While emphasis is given to costs reduction, focused steps are implemented to reduce the operation and running costs. Overheads costs are one of the areas where consistent steps were taken to bring it in control to match the revenue and profits. Exploring the options of diversifying into other sectors like highspeed train, nuclear and defense projects for improving the order booking are in progress.

### ENERGY

Eversendai's wholly owned subsidiary, Eversendai Offshore RMC FZE, recorded revenue of RM113.6 million, which was RM70.4 million higher than in previous year. The higher revenue for FY2020 was due to new projects awarded and billed in FY2020.

The segment was awarded a contract to fabricate and construct the offshore wind substation topside platform and jacket for Seagreen offshore wind farm in Scotland, United Kingdom and another contract to fabricate and construct Jacket and Piles for the Hollandse Kust Zuid ("HKZ") Beta Offshore wind substation platform for Tennet in the Netherlands. Both the contracts were awarded by Petrofac Limited. These projects will be undertaken in Eversendai's state-of-the-art 200,000 sq.m. waterfront fabrication yard in Ras Al Khaimah Maritime City in the UAE.

We expect FY2021 to be challenging due to the unsubdued COVID-19 disruptions and thus continuous delays of new contract awarded but we foresee that FY2021 will be slightly better as compared to FY2020 as there were some projects are in the bidding stage and we continue to make progress on our diversification plan into the offshore wind renewable energy sector in Europe. Our strategy continues to be balanced and not solely dependent on a single industry sector. Hence, our diversification into the offshore wind renewable energy sector is expected to create a sustainable business for the Group going forward.

## MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

### RISK AND MITIGATING PROCESSES

#### Liquidity Risk

The Group manages its liquidity risks to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, Eversendai maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. Eversendai also raises committed funding from financial institutions and balances its portfolio with some short-term funding to achieve overall cost-effectiveness.

#### Political, Regulatory and Economic Factors

The Group's financial and business prospects are closely linked to the developments in the political, economic and regulatory conditions in the countries where the Group operates or intends to operate. Eversendai has and will continue to take effective and adequate measures to mitigate such risks. Eversendai's current significant operations are in countries that are economically and politically stable.

#### Exposure to Liabilities for Contract Claims

In the past and as at this reporting period, Eversendai has not been affected by any liability arising from its exposure to contracts undertaken and will not have any material effect on its financial position, business and operations.

#### Business and Project Risks

The Group is engaged in the construction industry and depends on securing new contracts for its business and growth. The structural steel engineering sector is highly dependent on the economies of the countries it operates in and the cyclical nature of the industry. Delay or failure to complete contractual work will potentially affect the Group's net profits and reputation.

Nevertheless, Eversendai has a good track record of successfully managing project risks in the past and will continuously conduct detailed studies to complete projects on schedule and to avoid project cost overruns. Eversendai is renowned for its commendable track record for timely project completion, conforming to quality and employing best practices in our operations. With more than 35 years' experience as an industry leader, the Group will be able to manage these businesses and mitigate project risks, should such occurrences arise.

### OUTLOOK

FY2020 recorded a dip in global growth to 2.9% from 3.3% in the previous year 2019, largely due to uncertainties stemming from the US-China trade dispute, Britain's exit from the European Union and unstable commodity valuations in a report by the International Monetary Fund (IMF). In the beginning of 2020, the COVID-19 pandemic dampened global economic activity, with IMF predicting a sharp contraction of 3.3% for the year.

The year ahead will be challenging for the construction segment in view of the impending slowdown in the world economy as a result of the pandemic.

The global economy is projected to grow by 5.8% in 2021 with the normalisation of economic activity. We are cautious about the outlook even as the impact of the current market scenario continues to unfold. Rest assured, we are doing the best to protect the interests of all our stakeholders.

## MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

### Sectorial and Market Specific Perspective

#### United Arab Emirates

The FY2020 budget announced by the Government of Dubai before the on-going COVID-19 pandemic is the largest in history and provides the highest level of economic stability and stimulus to the emirate's business sectors. This budget seeks to realise the emirate's ambitions to stimulate the entire economy and support established companies to undertake various already-announced projects. These opportunities include the remaining works related to the largest and most prominent event, the Expo 2020 Dubai which has been postponed to run from 1 October 2021 to 31 March 2022 on account of the pandemic crisis.

#### Qatar

Qatar's oil and natural gas resources are the country's main economic asset and government revenue source. Oil & gas drives Qatar's high economic growth and per capita income levels, robust state spending on public entitlements and booming construction spending, particularly as Qatar prepares to host the World Cup in 2022. The 2020 budget is designed to achieve efficiency in the current expenditure while maintaining the allocations required for the completion of major approved projects. Infrastructure projects account for the largest share of the major project expenditure in the budget and we are set to tap into the opportunities presented in this region.

#### Kingdom of Saudi Arabia

This economy appears to be the most active player in the Middle East construction sector under on-going market reforms to diversify away from oil & gas. The market is expected to show significant growth in year 2021 and offer lucrative projects according to the nation's 'Vision 2030' and the National Transformation Plan ("NTP 2020"). The expected growth as planned for their Vision 2030 may slow down for this year due to the COVID-19 pandemic and is expected to bounce back from the year 2021 onwards.

#### Kuwait

Kuwait's Vision 2035 programme has signalled that it is becoming more open to foreign investment. The plan includes various mega projects, including the building of a multipurpose industrial city to the tune of USD6.6 billion. The Kuwait construction market is highly competitive, with the presence of major international players and this presents us with opportunities for growth.

#### India

Indian construction industry is an important growth driver of India's economy and is a major contributor to its GDP. India's infrastructure growth comprises of power plants, bridges, dams, roads, new airports, new smart cities, urban homes, rural homes and urban infrastructure development which also form the base and supporting factor for other services.

The government of India has announced several initiatives to boost the construction sector and spur development projects for among others 100 smart cities, world-class highways and shipping infrastructure, housing and urban development. This has attracted huge investments through FDI, private players and government budget allocations. These initiatives would provide plenty of opportunities to us with many new contracts available in the future.

#### Singapore

Singapore's construction sector is not exempted from the impact of the pandemic, with the sector now expected to contract in year 2021. However, Singapore sees construction demand beyond year 2021, supported by major developments such as data centers, sports complexes, smart factories, developments at Jurong Lake District, the expansion of the two integrated resorts at Marina Bay Sands and Resorts World Sentosa and new MRT lines such as the Cross-Island line. Eversendai expects to make further inroads into Singapore for the construction of private and public sector buildings.

## MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

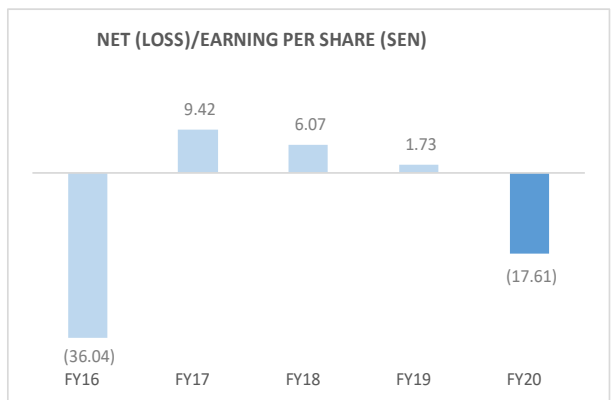
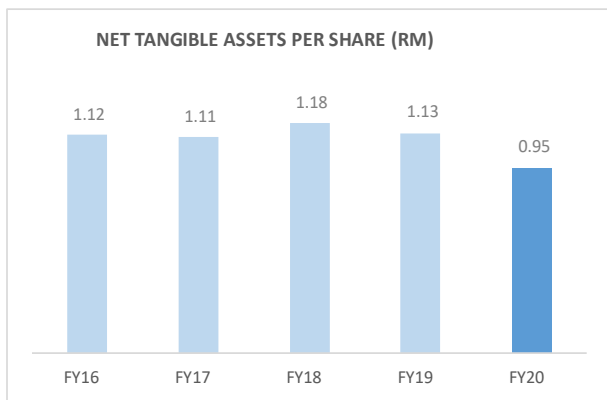
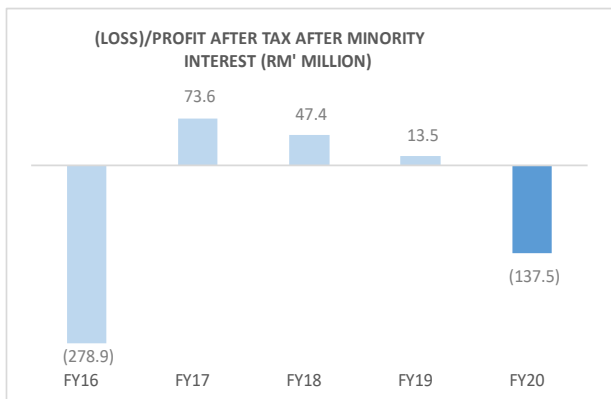
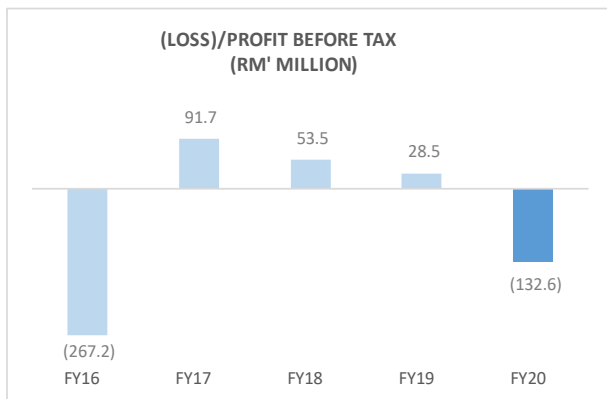
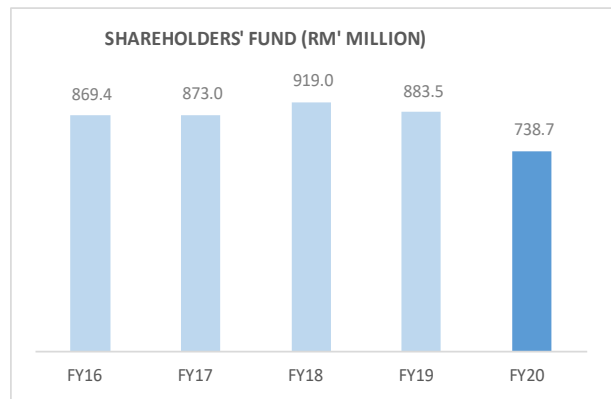
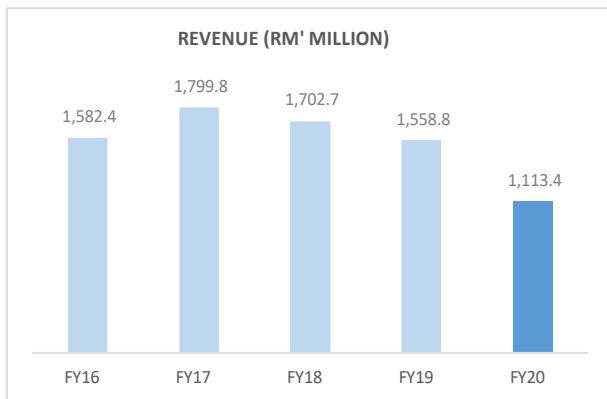
### Malaysia

The Construction sector expects to benefit from various packages and projects introduced by the Government, especially from Budget 2021 with the Government earmarking RM56 billion worth of projects (including Pan-Borneo Highway, Bandar Malaysia and the Rapid Transit System from Johor Bahru to Singapore). However, the scheduled implementation and execution of the mega projects are delayed due to the change of political leadership in Malaysia and the COVID-19 pandemic.

Malaysia's economic outlook faces strong headwinds and many things remain uncertain. The on-going worldwide health crisis coupled with the Movement Control Order (MCO) has significantly altered our initial expectations entering the new year. The spread of COVID-19 has necessitated unprecedented containment measures, including social distancing, which have triggered a concurrent supply and demand shock, bringing economic activities to a near standstill in many countries.

We are currently facing a situation that is unprecedented, and while we have an idea of what the "new normal" will look like and for the immediate future, the nature of the situation does not allow us a definite view on what the longer-term future will look like in respect of our working environment and interactions. Nevertheless, what is certain is that we will need to be more sensitive than ever in accommodating this "new normal".

### 5-YEAR GROUP FINANCIAL HIGHLIGHTS





## CORPORATE INFORMATION

### Board of Directors

**Tan Sri Dato' Nathan A/L Elumalay**  
Executive Chairman &  
Group Managing Director

**Mohammad Nizar Bin Idris**  
Senior Independent  
Non-Executive Director

**Datuk Iskandar Bin Sarudin**  
Independent  
Non-Executive Director

**Nazariah Binti Ibrahim**  
Independent  
Non-Executive Director

**Narla Srinivasa Rao**  
Executive Director

**Narishnath A/L Nathan**  
Executive Director

### Audit Committee

**Nazariah Binti Ibrahim**  
Chairman/Independent  
Non-Executive Director

**Mohammad Nizar Bin Idris**  
Member/Senior Independent  
Non-Executive Director

**Datuk Iskandar Bin Sarudin**  
Member/Independent  
Non-Executive Director

### Remuneration Committee

**Datuk Iskandar Bin Sarudin**  
Chairman/Independent  
Non-Executive Director

**Mohammad Nizar Bin Idris**  
Member/Senior Independent  
Non-Executive Director

### Nomination Committee

**Mohammad Nizar Bin Idris**  
Chairman/Senior Independent  
Non-Executive Director

**Datuk Iskandar Bin Sarudin**  
Member/Independent  
Non-Executive Director

**Nazariah Binti Ibrahim**  
Member/Independent  
Non-Executive Director

### Risk Management

#### Committee

**Mohammad Nizar Bin Idris**  
Chairman/Senior Independent  
Non-Executive Director

**Nazariah Binti Ibrahim**  
Member/Independent  
Non-Executive Director

**Datuk Iskandar Bin Sarudin**  
Member/Independent  
Non-Executive Director

### Company Secretary

**Cheok Kim Chee**  
MACS 00139

### Registered Office

Lot 19956, Jalan Industri 3/6  
Rawang Integrated Industrial Park  
48000 Rawang  
Selangor Darul Ehsan, Malaysia  
Tel : +603 6091 2575  
Fax : +603 6091 2577

### Corporate office

Unit 9-1, Level 9, Menara Mudajaya  
12A, Jalan PJU 7/3  
Mutiara Damansara  
47810 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel : +603 7733 3300  
Fax : +603 7733 3351  
Website : www.eversendai.com

### Principal Bankers

#### Malaysia

- Alliance Bank Malaysia Berhad
- HSBC Amanah Malaysia Berhad
- United Overseas Bank (Malaysia) Berhad
- Bank of China (Malaysia) Berhad
- Export-Import Bank of Malaysia Berhad
- MBSB Bank Berhad

#### Singapore

- United Overseas Bank Limited

#### India

- Bank of Baroda
- State Bank of India
- IndusInd Bank

### UAE

- Abu Dhabi Commercial Bank
- Commercial Bank International
- Dubai Islamic Bank (PJSC)
- Emirates Islamic Bank
- Emirates NBD Bank (PJSC)
- Export-Import Bank of Malaysia Berhad
- First Abu Dhabi Bank (National Bank of Abu Dhabi)
- Gulf International Bank
- HSBC Bank Middle East Limited
- Mashreq Bank PSC
- Union National Bank
- United Arab Bank
- United Bank Limited

### Qatar

- HSBC Bank Middle East Limited
- The Commercial Bank (Q.S.C.)

### Independent Auditors

**Baker Tilly Monteiro Heng PLT**  
201906000600 (LLP0019411-LCA) &  
AF0117  
Baker Tilly Tower  
Level 10, Tower 1  
Avenue 5, Bangsar South City  
59200 Kuala Lumpur, Malaysia  
Tel : +603 2297 1000  
Fax : +603 2282 9980

### Share Registrar

#### Boardroom Share Registrars Sdn Bhd

11th Floor, Menara Symphony  
No.5, Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor, Malaysia  
Tel : +603 7890 4700  
Fax : +603 7890 4670  
Email :  
Info.my@boardroomlimited.com

### Stock Exchange Listing

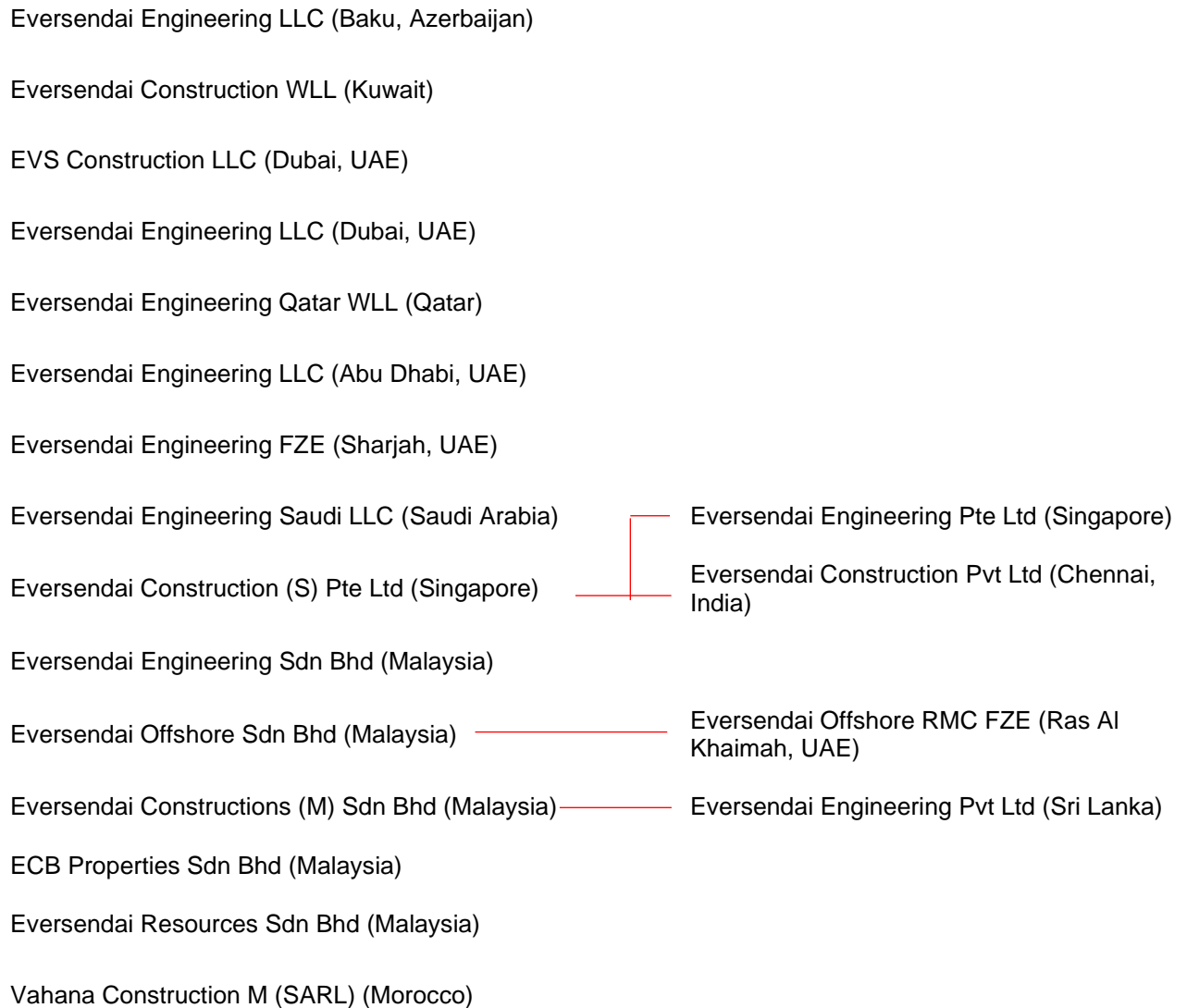
#### Main Market of Bursa Malaysia Securities Berhad

Stock Name : SENDAI  
Stock Code : 5205



## CORPORATE STRUCTURE

### EVERSENDAI CORPORATION BERHAD 200301011640 (614060-A)



## PROFILE OF DIRECTORS

Name : **Tan Sri Dato' Nathan A/L Elumalay**  
 Gender : Male  
 Age : 65  
 Nationality : Malaysia  
 Designation : Executive Chairman  
 Appointed to the Board on : 12 August 2004  
 Other post held within the company : Group Managing Director  
 Other post held in external company(ies): NIL

Tan Sri Dato' Nathan A/L Elumalay, the founder of Eversendai, built the company from a modest structural steel erection company in Malaysia to one of the world's most sought-after integrated structural steel turnkey contractors. His sheer determination, keen enthusiasm and acute attention to fine details have served as the driving power behind the development of the Eversendai Group.

Under his leadership, the company grew from strength to strength and spread its business from Malaysia to ASEAN, South Asia, the Middle East and North Africa. Some of the prominent structures built by Eversendai over the course of more than three decades of operations include the Petronas Twin Towers (Tower 2), Kuala Lumpur International Airport, Burj Al Arab, Burj Khalifa, Doha International Airport and Capital Gate Tower. He was also instrumental in establishing Eversendai's steel fabrication facilities in Rawang, Dubai, Sharjah, Doha, Ras Al-Khaimah and Trichy. Eversendai produces a combined annual capacity of over 200,000 tonnes. Today, Eversendai has a workforce of over 12,000 in 9 countries and operates out of 13 offices.

His charismatic approach to business and the construction industry has earned him many accolades. Some notable ones are the Malaysian Entrepreneur of the Year 2008 from Ernst & Young, the CEO of the Year Award in 2008 by CIDB and the Lifetime Achievement Award for Leadership in Construction Industry by the World Chinese Economic Forum in 2015. Tan Sri is also a prolific speaker and is often invited to deliver speeches at various seminars, forums, universities and conferences.

Name : **Mohammad Nizar Bin Idris**  
 Gender : Male  
 Age : 78  
 Nationality : Malaysia  
 Designation : Senior Independent Non-Executive Director  
 Appointed to the Board on : 1 June 2010  
 Other post held within the company : NIL  
 Other post held in external company(ies): Chairman of MCIS Insurance Berhad  
 : Chairman of CDC Consulting Sdn Bhd  
 : Board Member of FIDE FORUM

Encik Mohammad Nizar Bin Idris obtained his Bachelor of Law (Honours) Degree from the University of Singapore and was admitted as an Advocate and Solicitor of the High Court of Malaya. He attended the Advance Management Programme at Harvard University, Boston. After his graduation, he served the Judicial and Legal Service of the Government of Malaysia. He was the Senior Federal Counsel advising the Government of Malaysia on Tax and Fiscal matters. He represented the Government on a number of major cases in the courts in Malaysia and at the Privy Council in London.

He was headhunted to join Royal Dutch Shell and he worked for Shell in Malaysia, United Kingdom and the Netherlands. He was the Head of the Legal Division of Shell International Petroleum Ltd in London responsible for Shell's investment, joint ventures, mergers and acquisitions worldwide. Before retiring from Shell, he returned to Malaysia to assume the position of Deputy Chairman and Executive Director of the Shell Companies in Malaysia. He was also the Chairman of Shell Chemicals.

Upon retirement, he was appointed as a director on the board of several public and private companies including Banking, Investment Banking, Insurance and Unit Trust Management companies. He was also a Director of Khazanah National Berhad.

He is currently the Chairman of MCIS Insurance Berhad and Chairman of CDC Consulting Sdn Bhd. Encik Nizar is also a director in FIDE FORUM.

**PROFILE OF DIRECTORS (Cont'd)**

Name : **Datuk Iskandar Bin Sarudin**  
 Gender : Male  
 Age : 65  
 Nationality : Malaysia  
 Designation : Independent Non-Executive Director  
 Appointed to the Board on : 22 August 2017  
 Other post held within the company : NIL  
 Other post held in external company(ies): Director of Complete Logistic Services Berhad and  
 Aeon Co. (M) Berhad  
 : Independent Director of AEON Co. (M) Berhad

Datuk Iskandar Bin Sarudin began his career in the Malaysian Administrative and Diplomatic Service in 1979. He has served the nation in Jakarta, Indonesia and Lagos, Nigeria as the Second Secretary and First Secretary of the Embassy of Malaysia and High Commission of Malaysia respectively.

He was then appointed as the Principal Assistant Secretary, Ministry of Foreign Affairs, Malaysia in 1989 before being tasked by the Ministry to establish Embassy of Malaysia in The Republic of Chile and Sarajevo, Bosnia and Herzegovina. He has also served as High Commissioner of Malaysia to Sri Lanka, Republic of Maldives and Ambassador of Malaysia to the Republic of Philippines, People's Republic of China and Mongolia in addition to being appointed as Deputy Secretary General (Management Affairs), Ministry of Foreign Affairs in 2006. Datuk Iskandar Sarudin retired in 2015.

Name : **Nazariah binti Ibrahim**  
 Gender : Female  
 Age : 60  
 Nationality : Malaysia  
 Designation : Independent Non-Executive Director  
 Appointed to the Board on : 30 December 2019  
 Other post held within the company : NIL  
 Other post held in external company(ies): NIL

Nazariah binti Ibrahim is a Fellow Member of the Association of Chartered Certified Accountants and a Member of the Malaysian Institute of Accountants (MIA). She held various positions in Tenaga Nasional Berhad since 1 October 1982.

Her last position held was Group Accountant from 1 March 2014 to 28 February 2017 and Independent Non-Executive Director of Ipmuda Berhad from 28 September 2018 to 26 December 2019.

Name : **Narla Srinivasa Rao**  
 Gender : Male  
 Age : 53  
 Nationality : India  
 Designation : Executive Director  
 Appointed to the Board on : 26 May 2010  
 Other post held within the company : Chief Operating Officer, Group Structural Steel and Construction  
 Other post held in external company(ies): NIL

Mr. Narla Srinivasa Rao graduated in 1987 with a Diploma in Mechanical Engineering and has a Post Graduate Diploma in Business Administration from Manchester Business School, United Kingdom.

He started his career at Century Construction Pvt Ltd, India as a junior engineer where he gained valuable experience in fabrication and erection of structural steelwork and in hydro and coal-fired power plant construction. Subsequently joining Eversendai in 1993 as a site engineer. He held various positions within Eversendai before being appointed to his current position. He has played a major role in the successful execution of several major landmark projects for Eversendai.

**PROFILE OF DIRECTORS (Cont'd)**

Name : **Narishnath A/L Nathan**  
 Gender : Male  
 Age : 38  
 Nationality : Malaysia  
 Designation : Executive Director  
 Appointed to the Board on : 26 May 2010  
 Other post held within the company : Chief Executive Officer, Group Energy  
 Other post held in external company(ies): NIL

Mr. Narishnath A/L Nathan holds a Bachelor's degree in Business Information Technology (Honours) from Coventry University, United Kingdom. He first joined Eversendai Dubai in 2004, after which he was posted to Eversendai Qatar in 2006 as its General Manager where he, among others, set up Eversendai's fabrication facility and managed several other major projects. He was also instrumental in securing several large contracts for Eversendai.

He also served the company as Country Head/Executive Director for the Indian operations representing 4 divisions i.e. Infrastructure, Engineering, Power and Fabrication. Today, he is the Chief Executive Officer of Eversendai's Group Energy Division.

He is the son of Tan Sri Dato' Nathan A/L Elumalay, the Executive Chairman and Group Managing Director.

## KEY SENIOR MANAGEMENT PROFILES

### PANDIRAJAN SUBRAMANIAN

Senior General Manager, Singapore Operations

**Age:** 57

**Gender:** Male

**Nationality:** Singaporean

**Academic/Professional Qualification:** Bachelor's

Degree in Mechanical Engineering

**Office Location:** Singapore

**Date Appointed:** 12 September 1992

**Mr. Pandirajan** has over 30 years' experience in Structural Steel and Construction Business. Prior to joining Eversendai Singapore in September 1992, he has worked with IISC Engineers for various projects in India which includes Fabrication and Installation of Mobile Service Tower for Polar Satellite Launch Vehicle (PSLV) – Sriharikkota which is being used to assembly rockets even today and Upper Sindh Hydel Project in Kashmir. He has worked 14 years in Singapore as General Manager and successfully completed various high-rise composite structure steel buildings from 20 to 66 floors building before being transferred to Qatar for 7 years to undertake and complete Qatar's New Airport and Industrial Projects. Since then, he has been promoted to Senior General Manager and currently oversees the Structural Steel Division in South East Asia and Country Head for Singapore operations. He has vast experience and technical capabilities in the structural steel industry from inception of tender to costing, Engineering, Procurement, Fabrication, Erection until successful handover of projects.

### SARAVANAN KALIAPPAN

Sr. Vice President, Indian Operations (Special Projects)

**Age:** 50

**Gender:** Male

**Nationality:** Indian

**Academic/Professional Qualification:** B.E. Civil

: M.E. Structural

: Ph.D

: Master's in Business Administration

**Office Location:** Chennai, India

**Date Appointed:** 1 June 2016

**Mr. Saravanan** has been with Eversendai Group for 24 years. He has handled numerous projects located in the Far East, Middle East and India while with the Group and has a wide range of experience in structural steel construction, design, construction methodology, and execution. Currently he manages Design and Engineering, Special Projects and Business development for Eversendai India and the Group. Prior to joining Eversendai, he worked in the petrochemical industry for 3 years doing petrochemical plant design and engineering works.

### EDDIE TANG SENG MUN

Chief Operating Officer, Eversendai Corporation Berhad

**Age:** 53

**Gender:** Male

**Nationality:** Malaysian

**Academic/Professional Qualification:** MICPA, MIA

**Office Location:** Petaling Jaya, Malaysia

**Date Appointed:** 10 August 2020

**Mr. Eddie Tang**, a fellow member of the Malaysian Institute of Certified Public Accountants and a registered member of the Malaysia Institute of Accountants, joined Eversendai in 2020 with over 30 years of experience in finance, corporate planning, construction, property development and hotel development and management. He held senior posts in public listed companies in Malaysia, Hong Kong and Japan such as George Kent, Mah Sing, Dorsett International and Suremax. Amongst his many achievements are awards for Senior Leader, Visionary Knowledge Leadership Award in the 5th Global Emerging Knowledge Organisation (GEKO), Malaysia and the Corporate Leader of the Year in the 4th Business of the Year Award in 2009 and the Smart Entrepreneur Award in the 2nd Global Award, Malaysia in 2010. Eddie has also represented Malaysia as speaker in numerous seminars in China and continues to contribute as the Senior Fellow in the Global Innovative Knowledge Exchange Organisation (GEKO) Malaysia and the Senior Advisor, Asia Pacific Enterprise Alliances (APEA)

### ANBU JAYABALAN

Chief Executive Officer, India

**Age:** 50

**Gender:** Male

**Nationality:** Indian

**Academic/Professional Qualification:** B.Tech. Civil.,

M.E. Structures

: Executive Post Graduate Program in Finance from

Indian Institute of Management (IIM) Kozhikode

**Office Location:** Chennai, India

**Date Appointed:** 25 March 2015

**Mr. Anbu** has 30 years of experience in Business and Construction Management specialised in residential, commercial and infrastructure projects. Currently, he is spearheading Eversendai India operations with project portfolio spread in Steel, Civil and Composite structures with the focus on end to end construction solutions. His previous positions prior to Eversendai include Vice President - Operations in a premier construction firm, leading project development and operations for the southern Indian region, inclusive of luxury category residential and commercial developments. Mr. Anbu has vast experience in Business Optimisation, managing large scale projects, handling PMCs and other consultants, delivering high quality projects in time and keeping the wellness of the stakeholders.

**KEY SENIOR MANAGEMENT PROFILES (Cont'd)****PARDHASARADHI CHADALAVADA**

Operations Director

**Age:** 56**Gender:** Male**Nationality:** Indian**Academic/Professional Qualification:** B. Tech (Mechanical)**Office Location:** Dubai, UAE**Date Appointed:** 17 February 2016

**Mr. Pardhasaradhi Chadalavada** has over 30 years of experience in various segments of the construction industry. He first joined Eversendai in February 2006 as a Deputy General Manager and subsequently promoted as Commercial Director for Middle East Operations and then as Operations Director / Country Head for UAE/CIS/Africa operations. He has vast experience not only in the structural steel industry but also with many plant construction projects coupled with highly competent techno-commercial capabilities. Prior to joining Eversendai, he worked with several leading Indian construction companies in executing several major industrial and infrastructural project assignments in various sectors such as major steel plants, power plants, petrochemical plants, mining projects and other oil refineries in India.

**MURALIDHARAN B**

General Manager, Qatar Operations

**Age:** 48**Gender:** Male**Nationality:** Indian**Academic/Professional Qualification:** Diploma in Civil Engineering**Office Location:** Doha, Qatar**Date Appointed:** 1 April 2016

**Mr. Muralidharan** has 28 years of experience working in various segments of the construction industry. He first started his career as a Site Engineer in India and was involved in many architectural & industrial construction sectors. He later joined Eversendai in 1996 as a site engineer and held various positions within the Group before being appointed as the General Manager. He has executed numerous landmarks and highly challenging projects across the Middle East, Malaysia and Philippines.

**PALADUGU BHASKARA RAO**

General Manager, Saudi Arabia Operations

**Age:** 54**Gender:** Male**Nationality:** Indian**Academic/Professional Qualification:** Licentiate in Mechanical Engineering**Office Location:** Riyadh, Saudi Arabia**Date Appointed:** 1 January 2016

**Mr. Paladugu Bhaskara Rao** has 33 years of experience in structural steel fabrication and erection works. He started his career in India working on hydel power projects, penstock site fabrication, and installation works. He joined Eversendai in 1993 as a Site Engineer and was involved in the construction of various iconic buildings including malls, power plants, airports, etc. At present, he is managing the Group's Saudi Arabia operations for structural steel works which include design, connection design, fabrication and installation of complicated structures as well as fireproofing works and roofing and cladding works through specialist contractors.

**RAJAGOPAL DAMODHARAN**

General Manager, Sharjah Operations

**Age:** 52**Gender:** Male**Nationality:** Indian**Academic/Professional Qualification:** Diploma in Mechanical Engineering**Office Location:** Sharjah, UAE**Date Appointed:** 1 August 2008

**Mr. Rajagopal Damodharan** has 33 years of experience in various segments of the construction industries. He started his career in heavy structural fabrication activity for 8 years and later joined an international construction company as a project engineer for a refinery project in Surat, India. In 1996 he joined Eversendai as a Senior Project Engineer and held various positions within the Group before being appointed to the current position. He has been part of the successful execution of many landmark projects in the Middle East.

**KEY SENIOR MANAGEMENT PROFILES (Cont'd)****PASHMEENA BHATIA**

Chief Financial Officer, Middle East &amp; CIS

**Age:** 56**Gender:** Female**Nationality:** Indian**Academic/Professional Qualification:** FCPA, CMA Professional**Office Location:** Dubai, UAE**Date Appointed:** 2005

**Ms. Pashmeena** joined Eversendai in 1988. She has been an integral member of the Senior Management team for the past 18 years. She has vast experience in planning, strategising and managing the fiscal aspects of the Group's Middle East and North African financial functions, while providing value added insight and analysis to support relevant business functions. Ms Pashmeena specialises in treasury management, financial management, working capital management, project financing, corporate finance, corporate governance, corporate performance management, internal controls, compliance reporting, risk management, and qualitative analysis.

**P. BASKARAN**

Operations Director, Eversendai Offshore RMC FZE

**Age:** 51**Gender:** Male**Nationality:** Indian**Academic/Professional Qualification:** DME, MBA (Wolverhampton University, UK)**Office Location:** Dubai / Ras Al Khaimah, UAE**Date Appointed:** 1 August 2020

**Mr. P. Baskaran** has over 30 years of extensive exposure and experience in the fields of Structural Steel and Plant construction. An innovative and energetic operations professional with a sound knowledge in Contracts and Commercial, he began his career in Mumbai, India as an Engineer with Mukand Engineers Limited, working in the areas of Fabrication & Erection of Structural Steel, Erection of Rolling Mill (Rotary & Stationary) Equipment followed by testing, commissioning, cold and hot runs including other aspects for various rolling mill operations for integrated Steel plants. He joined Eversendai Group in 1994 as a Site Engineer in Malaysia and carried out various projects in construction projects across Malaysia and Singapore. Since 2003 he joined the Group as a Project Manager in Dubai and has been involved in various landmark projects in the UAE, Oman, India and Kuwait.

He served as a General Manager of our Kuwait operations prior to take up the current assignment to undertake the operations of Eversendai Offshore Business in Oil & Gas, Energy sectors which involves fabrication, installation and commission of self-propelled jack ups, Jacket, Topsides decks for sub-stations, process modules, etc.

**GOPALA KRISHNAN**

Executive Director, Eversendai Engineering Sdn Bhd

**Age:** 59**Gender:** Male**Nationality:** Malaysian**Academic/Professional Qualification:** MCE**Office Location:** Rawang, Malaysia**Date Appointed:** 1 November 2020

**Mr. Gopala** has over 22 years' experience in Structural Steel works. Prior to joining Eversendai Malaysia, he was the General Manager for Eversendai Qatar. He worked in various departments of the Eversendai Group since its establishment in 1984. He briefly left Eversendai to pursue other ambitions before rejoining Eversendai. He was the General Manager before his appointment as an Executive Director of Eversendai Engineering Sdn Bhd and Eversendai Constructions (M) Sdn Bhd overseeing the Group's Malaysia operations.

He is the younger brother of Tan Sri Nathan A/L Elumalay, the Executive Chairman and Group Managing Director.

## **SUSTAINABILITY REPORT**

### **About This Section**

Eversendai Corporation Berhad (“Eversendai”) is committed to driving its business operations and corporate activities towards sustainability. We manage the plans and processes to implement sustainability in key areas of our business and how they impact our stakeholders where we operate. Our sustainability management during the year in review is presented in this report.

### **Reporting Period**

1 January 2020 to 31 December 2020

### **Reporting Scope**

Eversendai is committed to reviewing and updating our sustainability management on an annual basis. Our sustainability management is in three key dimensions of Economic, Environment and Social, and the information covers Eversendai Group of Companies. However, it does not include any business operations carried out by Eversendai’s joint venture partners or any other activities beyond our direct control. Our reporting adheres to the following guidelines:

- Bursa Malaysia Sustainability Reporting Framework
- GRI Sustainability Reporting Standards

### **Feedback**

Eversendai looks forward to input by any parties on how we can improve our sustainability management. For any feedback and enquiries, please contact:

Tel No : +603 7733 3300

Email : [ir@eversendai.com](mailto:ir@eversendai.com)



## SUSTAINABILITY REPORT (Cont'd)

### Sustainability In Eversendai

The story of Eversendai starts in 1984 as a humble structural steel fabrication and erection company and has since grown organically as a specialist in the field. Eversendai is recognised as a sought-after global organisation undertaking complex turnkey structural steel works for high-rise buildings, composite structures, long span structures, bridges and industrial plants. The Group has also expanded beyond these making inroads into mechanical works providing design, engineering, procurement, fabrication, assembly and installation services for Power Plant, Offshore Wind and Oil & Gas industries including process modules, jackets & piles, topsides, offshore structures and jack-up barge/liftboats.

Eversendai, a Malaysian inspiration and an epitome of excellence, has come a long way from humble beginnings to become one of the world's sought-after contractors. Eversendai attributes this success to the prudent management team and employees who have gone the extra mile through a sense of responsibility, loyalty, commitment and dedication adhering to fundamental values to achieve what it is today.

Eversendai's proven competence of high-profile projects in the world has served clients covering 16 countries comprising of Malaysia, Singapore, Indonesia, Thailand, Philippines, the United Arab Emirates, Oman, Kingdom of Saudi Arabia, Azerbaijan, Qatar, India, Sri Lanka, Kuwait, Bahrain, Hong Kong, Morocco and the United Kingdom. We have a dedicated workforce of over 12,000 people working in 9 countries at 13 offices and an impressive portfolio of more than 460 accomplished projects. We own and operate 6 fabrication facilities located in Malaysia, Dubai, Sharjah, Ras Al Khaimah, Qatar and India with an annual production capacity of over 200,000 metric tonnes of fabricated steel. With our state-of-the art fabrication facilities, we have constructed some of the world's renowned iconic landmarks and highly complex structures to create an enviable reputation.

Eversendai places considerable emphasis not to compromise on safety, quality of workmanship and timely delivery irrespective of the country in which we operate. Eversendai's in-house quality control and quality assurance department adheres strictly to the technical requirements and specifications, schedules and procedures of inspection and testing stipulated in the project quality management plans.

Apart from conducting in-house inspections and testing, we also undertake regular inspections along with the clients and third-party testing to ensure the consistency and transparency of the quality checks. Eversendai does not compromise on quality and the finished structure and services are in compliance with health, safety and environment regulations and in conformance with international codes and standards as required in the countries we operate in.

Eversendai has a long-standing tradition of hiring competent people who were all trained in their fields to become specialists in their respective disciplines.

## SUSTAINABILITY REPORT (Cont'd)

Eversendai has an excellent client relationship with major international clients, with a history of successful collaboration on many landmark projects.

We have established a reputable brand name with an impressive track record to position ourselves as one of the leading and reliable entities. Eversendai has established a good reputation in the market through positive customer generated word-of-mouth. Our clients, architects, consultants and project managers have been the key influencers in advocating our exemplary capabilities in the industry. We are respected for our discipline, integrity and good quality work by embracing innovative construction methodologies in delivering complex landmark projects. Because of our reputation, we were invited to participate in and eventually execute top-notch projects in foreign countries.

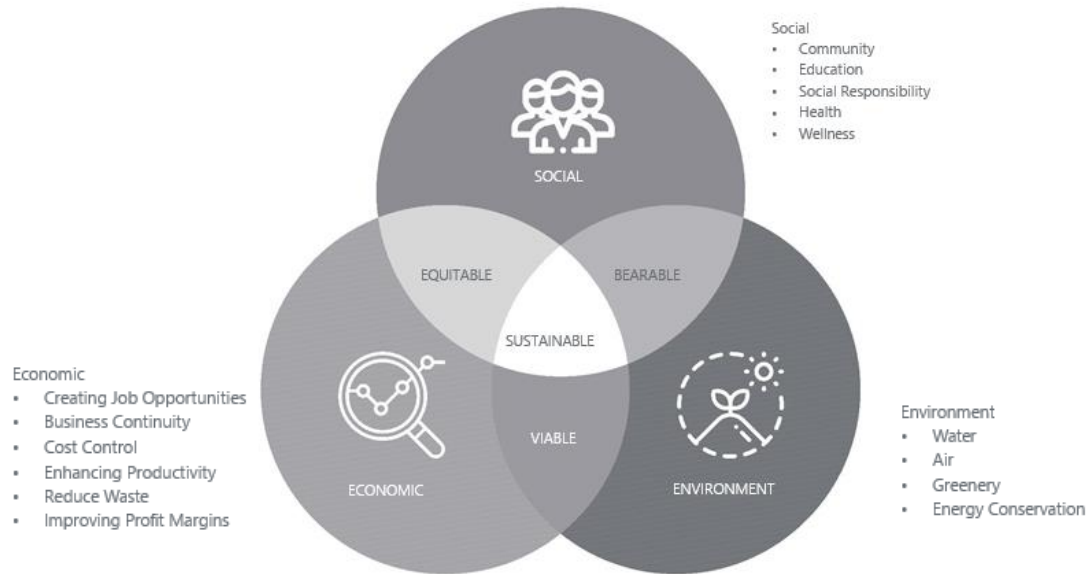
Eversendai's resilience charged with its vision, mission, core values and corporate philosophy has allowed us to sustain through challenging times, changing environments, stakeholders' aspirations and sudden fluctuations in economic and market conditions.

### Eversendai's Corporate Philosophy

1. Keeping up with our commitments
2. Maintaining a good relationship with all our stakeholders
3. Innovative construction methodologies
4. Consistent performance
5. Continuous development of human resources
6. Loyal and dedicated employees
7. Effortless adaptability to local working culture and environment
8. Continuous exploration of new and diversified frontiers, seeking for opportunities
9. Continuous improvement to meet stakeholders' expectations

Sustainability has been an integral part of Eversendai for many years, although we commenced reporting in 2017 on a formal approach to initiate tracking and reporting the performance of the Company and its subsidiaries. We take cognisance that the importance of management of economic, environmental and social performance is vital for all sustainability actions in our business operations and activities. We have always understood the values and benefits of incorporating sustainability as a business imperative in every aspect of our operations. We believe the practice of sustainability will generate many benefits not only to Eversendai, but also to all stakeholders impacted by our activities. The priority is to implement a holistic approach to maximise its benefits from an economic and social perspective while also minimising its impact on the environment.

## SUSTAINABILITY REPORT (Cont'd)



### Materiality Assessment

For sustainability matters, we undertook a survey which covered various stakeholder groups and their prioritisation. From the results, the overall influence on stakeholder assessment and decisions on the significance of Eversendai’s Economic, Environment and Social Impacts were presented to the Board, using the Materiality Assessment (“Toolkit”) issued by Bursa Malaysia Securities Berhad.

Reporting is made only on 70%\* and above significance of Eversendai’s Economic, Environment and Social Impacts. Prioritisation of the impacts were formed based on the importance of the impacts to our organisation and stakeholders such as investors, customers, employees, the government, community, non-governmental organisations (NGOs) and outsourced service providers (suppliers, subcontractors and consultants).

Factors of Economic Performance	Factors of Environmental Performance	Factors of Social Performance
Cost Control	Compliance	Human Capital
Machinery	Environment	Occupational Health and Safety
Political Changes	Raw Materials	Systems and Processes
Risk Management	Supply Chain	Client Satisfaction
Taxes	Utilities	Integrity
Technology		

Note: \* The above percentage (%) was extracted from the Eversendai Materiality Matrix based on Sustainability Aspects in GRI framework (GRI 2002).

**SUSTAINABILITY REPORT (Cont'd)****Eversendai's Sustainability Initiatives**

Indicator	Action	Outcome
<b>Environment</b>		
Environmental Management Indicators (EMIs)		
S1. Vision, Mission, Values and Policy	Corporate Vision, Mission, Core Values and the Integrated Management System Policy have been implemented and understood by all employees.	Eversendai Environmental Management System has been certified to the international standard of ISO 14001:2015 and has been recertified until 2023.
S2. Organisational structure related to environmental management	Organisational structures and job descriptions are available throughout Eversendai.	
S3. Leadership and management commitment to environmental issues	Leadership and management commitment to environmental issues have been explained and audited.	
S4. Communication to internal and external stakeholders	Regular communication exists with all stakeholders for consistent feedback and improvement including updates on environment matters.	
Environmental Performance Indicators (EPIs) Environmental Operational Indicators		
S1. Procurement measures S2. Process measures S3. Product/service use measures S4. Technical measures	Eversendai practises the concept of 3R (Reduce, Reuse and Recycle) in all activities and operations. Relevant stakeholders are also made aware of the 3R principles and practices. <ul style="list-style-type: none"> <li>• Reducing consumption of paper by providing soft copies of documents;</li> <li>• Recycling paper for preparation of drafts;</li> <li>• Reducing energy consumption by switching off power supply during lunch breaks;</li> <li>• Reducing printing materials by providing soft copies; and</li> <li>• Reusing packaging materials for delivery purposes.</li> </ul>	
Environmental Impact Indicators		
S1. Energy usage S2. Water usage S3. Raw materials S4. Consumables S5. Domestic waste S6. Scheduled waste S7. Air emissions S8. Water discharge S9. Land discharge S10. Noise emission	Resources usage, discharges, emissions and waste generation are closely monitored and measured. Wherever possible, 3R is applied.	

**SUSTAINABILITY REPORT (Cont'd)**

Indicator	Action	Outcome
Environmental Condition Indicators (ECIs)		
S1. Temperature S2. Surrounding air contaminant S3. Surrounding noise level S4. Population density S5. Geographical location	Eversendai has established an environment consultative network within the organisation and with relevant external stakeholders to manage practicable environmental conditions.	
<b>Systems and Processes</b>		
S1. Internal audit S2. External audit S3. Internal IMS audit S4. External IMS audit	<p>Eversendai has documented policies and procedures with consideration of internal control system to safeguard company against quantifiable losses. The documents consist of circulars, the Integrated Management System manual, the Policy Procedures and related documents that are continuously being revised and updated to meet operational needs.</p> <p>Eversendai has developed and implemented a systematic framework of internal control and risk management to prevent any material losses. The risk management department monitors the business units towards compliance with the framework. A meeting is held on a quarterly basis to review, revise and mitigate new or existing risks and controls.</p> <p>Internal Audit Function will review the adequacy and effectiveness of the management systems and operating controls of Eversendai Corporation Berhad and its subsidiaries. Internal Audit will make the necessary recommendations for the improvement of systems, controls and procedures that may be required to safeguard company resources, promote productivity and efficiency and ensure compliance with company policies and procedures, the laws and government regulations.</p> <p>In 2020, Eversendai has introduced the Anti Bribery and Corruption Management System as an additional compliance with regulatory requirements.</p>	Better and more effective system and process controls, competent personnel, consistent performance and continuous improvement.

**SUSTAINABILITY REPORT (Cont'd)**

Indicator	Action	Outcome
<b>Human Capital</b>		
Compliance with the national and international standards and labour requirements		
S1. Recruitment S2. Internship S3. Training, learning and development S4. Performance Management System S5. Talent Management and Succession Planning S6. Work environment S7. Employee welfare S8. Diversity and equality	Employee engagement through meetings, social gatherings, sports and team building workshops.	Retention of competent, compliant and talented pool of employees for business continuity and growth of the company.
<b>Occupational Health and Safety (OHS)</b>		
Compliance with company in-house requirements, legal and other requirements and subscribed/relevant international standards		
S1. OHS Training and Toolbox Meeting S2. Workplace inspection S3. Incident report S4. OHS Audit S5. Health surveillance and welfare S6. Provision of PPE and other safety equipment	Regular meetings and discussions with all relevant stakeholders on OHS focusing on hazards, risks, controls, unsafe acts, unsafe conditions, unsafe work areas, unsafe equipment and machinery, and emergency drills.	Ensuring a safe and healthy workplace with 24 hours security and surveillance.  Eversendai Occupational Health and Safety Management System has been certified to the international standards of OHSAS 18001:2007 and ISO 45001:2018.
<b>Client Satisfaction</b>		
Compliance and conformance with client requirements		
S1. Audit reports S2. Management reviews S3. Client/customer feedback S4. Joint inspections	Regular meetings and discussions with clients, all relevant outsourced service providers and employees focusing on client requirements.	Establishing benchmarks, contingency, innovation, product improvement and delivery plans.

**Certifications To International Standards**

Rawang, Malaysia Fabrication Facility

- ISO 9001:2015 – LRQA
- ISO 14001:2015 – LRQA
- ISO 45001:2018 – LRQA

## SUSTAINABILITY REPORT (Cont'd)

### Hamriyah Free Zone, Sharjah Fabrication Facility

- Certificate of Conformity of the Factory Production Control – Bureau Veritas
- UNI EN ISO 3834-2:2006 – Bureau Veritas
- ISO 9001:2015 – SGS
- ISO 14001:2015 – SGS
- OHSAS 18001:2007 – SGS

### Al Qusais Industrial Area 1, Dubai Fabrication Facility

- ISO 9001:2015 – SGS
- ISO 14001:2015 – SGS
- OHSAS 18001:2007 – SGS

### Industrial Area Doha, Qatar Fabrication Facility

- Certificate of Conformity of the Factory Production Control - Bureau Veritas
- UNI EN ISO 3834-2:2006 – Bureau Veritas
- ISO 9001:2015 – SGS
- ISO 14001:2015 – SGS
- ISO 45001:2018 – SGS
- OHSAS 18001:2007 – SGS

### RAK Maritime City, Ras Al Khaimah Fabrication Facility

- ISO 9001:2015 – DNV GL
- ISO 14001:2015 – DNV GL
- OHSAS 18001:2007 – DNV GL
- CE Marking EN1090-EXC4 – DNV GL
- UNI EN ISO 3834-2:2006 – DNV GL
- DNV Shop Approval for Yard – DNV GL
- EN CP484 – DNV GL

### Trichy, India Fabrication Facility

- Certificate of Conformity of the Factory Production Control - SGS
- ISO 9001:2015 – TUV NORD
- ISO 14001:2015 – TUV NORD

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Eversendai Corporation Berhad (the “Board”) is committed to upholding the practices of good corporate governance throughout Eversendai as prescribed in the Malaysian Code on Corporate Governance 2017 (the “Code”). The Board believes good corporate governance supports the enhancement of shareholders’ value and sustainable growth. The Board is pleased to share the manner in which the Principles of the Code have been applied within Eversendai in respect of the financial year ended 31 December 2020 and the extent to which the Company has complied with the recommendations of the Code during the financial year ended 31 December 2020 except where otherwise stated.

### 1. BOARD OF DIRECTORS

#### 1.1 Composition and Size of Board

There are six (6) members on the Board, comprising the Executive Chairman (who is also the Group Managing Director), two (2) Executive Directors and three (3) Independent Non-Executive Directors.

#### 1.2 Board Balance

The Board comprise members with diverse professional backgrounds, skills, extensive experience and knowledge in the areas of engineering, steel fabrication, information technology, finance, business, general management and strategy required for the successful direction of Eversendai.

There is currently no female representation on the Board of Directors. The Board recognises the need for gender diversification and will gradually be looking to fulfilling this role accordingly.

The profiles of the members of the Board are provided for on pages 17 to 19 in the Annual Report.

The Board is of the view that it has the right mix of individual qualities to fulfill its role. With its diversity of skills, the Board has been able to provide clear and effective collective leadership to Eversendai and has brought informed and independent judgement to Eversendai’s strategy and performance so as to ensure that the highest standards of conduct and integrity are always at the core of Eversendai. None of the Independent Non-Executive Directors participate in the day-to-day management of Eversendai.

The presence of the Independent Non-Executive Directors is essential in providing unbiased and independent opinions, advice and decisions to ensure that the interests, not only of Eversendai, but also of shareholders, employees, customers, suppliers and other communities in which Eversendai conducts its business are well represented and considered.

Encik Mohammad Nizar Bin Idris is the Senior Independent Non-Executive Director, to whom affairs of Eversendai may be conveyed.

The Code recommends that there should be clear division of responsibilities at the head of the company to ensure proper balance of power and authority.

Although the roles of the Chairman of the Board and the Group Managing Director are combined, the Board is of the view that there is a strong independent element on the Board and that there are adequate measures and controls to ensure balance of power and authority, so that no individual has unfettered powers of decision. The more significant measures and controls are summarised below.

All Executive and Non-Executive Directors have unrestricted and timely access to all relevant information necessary for informed decision-making. The Executive Chairman encourages participation and deliberation by Board members to tap their collective wisdom and to promote consensus building as much as possible.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Matters which are reserved for the Board's approval and delegation of powers to the Board Committees, the Group Managing Director, the Chief Executive Officer and the Management are expressly set out in an approved framework on limits of authority. Business affairs of Eversendai are governed by Eversendai's Discretionary Authority Limits and manuals on policies and procedures. Any non-compliance issues are brought to the attention of the Management, Audit Committee and/or the Board, for effective supervisory decision-making and proper governance.

The division of authority is constantly reviewed to ensure that Management's efficiency and performance remain at its level best.

### 1.3 Board Roles and Responsibilities

The Board has adopted a Charter, which sets out, amongst others, the Board's strategic intent and outlines the Board's roles and responsibilities. It is a source of reference and primary induction literature for existing and prospective members of the Board. It also sets out the Code of Ethics and Conduct that the members of the Board must observe in the performance of their duties. The Board Charter is subject to review periodically. Details of the Board Charter is available online in the Governance and Responsibility section at [www.eversendai.com](http://www.eversendai.com).

The Board is collectively responsible for the success of Eversendai. The Board's roles and responsibilities include without limitation to the following:

- Reviewing and adopting strategic business plans for Eversendai's effective business performance. In setting Eversendai's strategic business plans, the Board relies on the reports provided by the Group Managing Director who oversees the entire business and operations of Eversendai;
- Overseeing the conduct of Eversendai's business to evaluate whether the business is being effectively managed. At each Board meeting, the Group Managing Director will brief the Directors on the current operations, issues faced and plans of Eversendai in order for the Board to be kept abreast on the conduct, business activities and development of Eversendai;
- Identifying principal risks and ensuring the implementation of appropriate systems to effectively manage and monitor identified risks;
- Reviewing the efficacy of Eversendai's systems of internal control and of management information, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- Developing corporate objectives, policies and strategies; and
- Reviewing and approving acquisitions and disposals of undertakings and properties of substantial value and major investments.

The Board is guided by the Code of Conduct which outlines the duties and responsibilities of the Board.

In discharging the Board's duties and responsibilities, the Board has delegated certain duties and responsibilities to the following Board Committees:

- a) Audit Committee;
- b) Risk Management Committee;
- c) Nomination Committee; and
- d) Remuneration Committee.

The Chairman of each Board Committee will report to the Board on issues deliberated at each committee meeting.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

### 1.4 Appointments to the Board

The Nomination Committee comprising three Independent Directors makes independent recommendations for appointments to the Board. In making these recommendations, the Nomination Committee assesses the suitability of candidates, taking into account the required mix of skills, knowledge, expertise and experience, professionalism, integrity, gender diversity, competencies and other qualities, before recommending them to the Board for appointment.

### 1.5 Re-election of Directors

The Company's Articles provide that one-third (1/3) of the Directors are subject to retirement by rotation at every Annual General Meeting but are eligible for re-election provided that all Directors shall retire from office at least once in three (3) years.

With the coming into force of the Companies Act, 2016 on 31 January 2017, there is no age limit for directors of a company.

### 1.6 Assessment of Performance

The Board has an on-going responsibility of assessing the Directors. Upon the completion of every financial year, the Nomination Committee undertakes a Board Assessment and Evaluation process to assess the effectiveness of the Board in discharging its duties and responsibilities effectively and efficiently.

The Board Assessment and Evaluation is primarily based on answers to a detailed questionnaire prepared internally taking into account applicable best practices. The assessment questionnaire is distributed to all the respective Board members and covers topics which include, amongst others, the responsibilities of the Board in relation to strategic planning, risk management, performance management, financial reporting, audit and internal process, human capital management, corporate social responsibility, communication, corporate governance, and shareholders' interest and value.

Other areas being assessed include Board composition and size, the contribution of each member of the Board at meetings, the Board's decision-making and output, information and support rendered to the Board as well as meeting arrangements.

Actionable improvement programs will be identified, upon review of the results of the Board and committee assessment by the Nomination Committee and the Board. Such programs may include training needs of individual Directors.

### 1.7 Directors' Independence and Tenure

The Board takes cognizance of Practice 4.2 of the Code that the tenure of an independent director should not exceed a cumulative term limit of 9 years. Although a longer tenure of directorship may be perceived to influence a director's independence, the Board is of the view that the ability of long serving independent directors to remain independent and to discharge their duties with integrity and competency should not be measured solely by tenure of service or any pre-determined age.

The Board seeks to strike an appropriate balance between tenure of service, continuity of experience and refreshment of the Board. Such refreshment process of the Board will take some time and cannot happen overnight in order to maintain stability to the Board. Furthermore, the Company benefits from such directors who have, over time, gained valuable insights into Eversendai, its market and the industry.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Independent Directors are subject to an independence assessment by the Nomination Committee and the Board during assessment for appointment and on an annual basis. Under the evaluation process, each Independent Director will perform a self-review of his or her independence by completing a declaration form with questions drawn from the requirements imposed by the various authorities. In this respect, the Board had adopted the same criteria used in the definition of “independent directors” prescribed by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”), including the tenure prescribed by the Code. The declaration form will be submitted to the Nomination Committee for evaluation. The Nomination Committee will evaluate the independence of the Independent Directors based on the criteria approved by the Board and submit its findings to the Board for deliberation.

Each Independent Director has undertaken to notify the Board of any changes to the circumstances or development of any new interest or relationship that would affect their independence as an independent director of the Company.

As at the approved date of this Statement, none of the Independent Directors of the Company have served a tenure of 9 years and above.

### 1.8 Fostering Commitment

In compliance with the MMLR, each member of the Board holds not more than five directorships in public listed companies to enable the Directors to discharge their duties effectively by ensuring that their commitment, resources and time are focused on the affairs of the Company to enable them to discharge their duties effectively.

The Directors have been informed of the expectations of time commitment during their appointments to the Board. This takes the form of the number of Board and Board Committee meetings scheduled to be held in a financial year. All the Directors are aware of their responsibilities and are required to devote sufficient time to discharge their duties and responsibilities, which includes attendance at meetings of the Board, Board Committees and General Meetings, preparatory work ahead of such meetings, keeping abreast of relevant business developments and legislations, contribution to the strategic development of the business, providing counsel and guidance to the Management team and meeting with professional advisers and independent auditors, where necessary.

The Directors' commitment is evidenced by their attendance and input at all Board and Board Committee meetings. The Board is thus satisfied with the level of time commitment by each of the Directors towards fulfilling their roles on the Board and Board Committees.

### 1.9 Board Meetings

The Board meets quarterly with additional meetings convened as and when the Board's approval and guidance is required. Upon consultation with the Chairman and Group Managing Director, due notice shall be given of proposed dates of meetings during the financial year and agenda and matters to be tabled to the Board.

**CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)**

Four (4) Board meetings were held during the financial year ended 31 December 2020 and the details of attendance of each Director are as follows:

DIRECTOR	DESIGNATION	NUMBER OF MEETINGS ATTENDED
Tan Sri Dato' Nathan A/L Elumalay	Executive Chairman & Group Managing Director	4 of 4
Narla Srinivasa Rao	Executive Director & Chief Operating Officer - Group Structural Steel & Plant Construction	4 of 4
Narishnath A/L Nathan	Executive Director & Chief Executive Officer, Group Energy	4 of 4
Mohammad Nizar Bin Idris	Senior Independent Non-Executive Director	4 of 4
Datuk Iskandar Bin Sarudin	Independent Non-Executive Director	4 of 4
Nazariah Binti Ibrahim	Independent Non-Executive Director	4 of 4

**1.10 Supply of Information**

The Board is supplied with and assured of full and timely access to all relevant information to honour its duties effectively. A set of Board papers (together with a detailed agenda in the case of a meeting) is furnished to the Board members in advance of each Board meeting or Directors' Circular Resolution for consideration, guidance and where required, for decisions.

In addition to updated board meeting papers and reports, the Board is also furnished with ad-hoc reports to ensure that they are appraised on key business, financial, operational, corporate, legal, regulatory and industry matters, as and when the need arises.

The Directors also have direct access to the advice and services of the Group Internal Audit Department and Company Secretary in addition to other members of Senior Management. The Board is constantly advised and updated on statutory and regulatory requirements pertaining to their duties and responsibilities. The Board may, at Eversendai's expense, seek external and independent professional advice and assistance from experts in furtherance of their duties.

**1.11 Company Secretary**

The Board is supported by a qualified, experienced and competent Company Secretary. The Company Secretary plays an important advisory role to the Board and takes charge of ensuring overall compliance with the MMLR and Companies Act 2016, and other relevant laws and regulations.

The Company Secretary also:

- Ensures that all appointments to the Board and Committees are properly made;
- Maintains records for the purposes of meeting statutory obligations;
- Ensures that obligations arising from the MMLR or other regulatory requirements are met; and
- Facilitates the provision of information as may be requested by the Directors from time to time.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

### 1.12 Directors' Remuneration

The objectives of Eversendai's policy on Directors' remuneration are to attract and retain Directors of the calibre needed to run Eversendai successfully. In Eversendai Corporation Berhad, the component parts of remuneration for the Executive Directors are structured so as to link rewards to corporate and individual performance. In the case of Independent Non-Executive Directors, the level of remuneration reflects the experience, expertise and level of responsibilities undertaken by the Independent Non-Executive Directors.

#### Remuneration Procedures

The Remuneration Committee recommends to the Board the policy and framework of the Directors' remuneration and the remuneration package for the Executive Directors. In recommending Eversendai's remuneration policy, the Remuneration Committee may receive advice from external consultants. It is nevertheless the ultimate responsibility of the Board to approve the remuneration of these Directors.

The determination of the remuneration packages of Independent Non-Executive Directors (whether in addition to, or in lieu of, their fees as Directors), is a matter for the Board as a whole. Individual Directors do not participate in decisions regarding their own remuneration packages.

Directors' remuneration for Eversendai is determined at levels which enable Eversendai to attract and retain Directors with the relevant experience and expertise to manage Eversendai effectively.

The details of the remuneration of Directors during the financial year ended 31 December 2020 are set out below:

	Group (RM'000)				Company (RM'000)			
	Non-executive directors		Executive directors		Non-executive directors		Executive directors	
	Directors' Fee	Salaries/ bonus/ other allowances	Benefits-in-kind		Directors' fees	Salaries/ bonus/ other allowances	Benefits-in-kind	
Tan Sri Dato' Nathan A/L Elumalay	-	-	5,970	15	-	-	325	-
Narla Srinivasa Rao	-	-	1,166	370	-	-	-	-
Narishnath A/L Nathan	-	-	1,413	113	-	-	124	-
Mohammad Nizar Bin Idris	18	3	-	-	18	3	-	-
Datuk Iskandar Bin Sarudin	18	3	-	-	18	3	-	-
Nazariah Binti Ibrahim	18	3	-	-	18	3	-	-
<b>Total</b>	<b>54</b>	<b>9</b>	<b>8,549</b>	<b>498</b>	<b>54</b>	<b>9</b>	<b>449</b>	<b>-</b>

### 1.13 Directors' Training

The Board is always encouraged to attend seminars, conferences and briefings in order to enhance its skills and knowledge and to keep abreast of the latest developments in the industry and marketplace.

Orientation and familiarisation programmes which include visits to Eversendai's business operations and meetings with key management are, where appropriate, organised for newly-appointed Directors to facilitate their understanding of Eversendai's operations and businesses. Regular talks are scheduled on various topics for the Board and these sessions are held together with Senior Management in order to encourage open discussion and comments.

**CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)**

Directors evaluate their training needs on a continuous basis, by determining areas that would best strengthen their contributions to the Board. Regular briefings/updates (some by external advisers) on various subjects including the following are held at Board meetings:

- Market and industry;
- Regulatory and legal developments;
- Information on significant changes in business risks and procedures instituted to mitigate such risks;
- Corporate matters or new acquisitions by Eversendai; and
- New developments in law, regulations and Directors' duties and obligations.

During the financial year under review, the Directors participated in various programmes to enhance their understanding of specific industry and market issues and trends to improve their effectiveness in the boardroom. These sessions have also been attended by invited members of the senior leadership team, with the objective to improve board management dynamics.

The training programmes, seminars and/or conferences attended by the Directors during the financial year are as follows:

TOR	TOPIC	DATE
Tan Sri Dato' Nathan A/L Elumalay	MAICSA Webinar - Corporate Liabilities under the MACC Act effective from 1 June 2020 and its mitigations	16 July 2020
Mohammad Nizar Bin Idris	Webinar - Covid-19 and Current Economic Reality: Implications for Financial Stability by Dr Andy Xie	14 April 2020
	Webinar - Outthink The Competition: Excelling in a Post Covid-19 World by Dr Kaihan Krippendorff	5 May 2020
	Webinar - Challenging Times: What Role Must the Board Play? by Datuk Yvonne Chia, Voon Seng Chuan and Graham Poston	15 May 2020
	Webinar - Risks: A Fresh Look from the Board's Perspective by Sir Howard Davies	8 July 2020
	MACC Amendment to Section of 17A of MACC Act	16 July 2020
	Webinar - Digital Financial Institutions Series: Managing Virtual Banking and Insurance Businesses by Bowtie and Mox Bank	21 July 2020
	BNM-FIDE FORUM Annual Dialogue with Governor of Bank Negara Malaysia	3 Sept 2020
	FIDE FORUM's Board Effectiveness Focus Group Discussion with Directors	10 Sept 2020
	Webinar - Green Fintech: Ping An's journey to becoming a top ESG-performing Financial Institution by Tan Bin Ru	11 Nov 2020
	Offshore Technology Conference	2-6 Nov 2020
Datuk Iskandar Bin Sarudin	MAICSA Webinar - Corporate Liabilities under the MACC Act effective from 1 June 2020 and its mitigations	16 July 2020
Nazariah Binti Ibrahim		
Narishnath A/L Nathan		
Narla Srinivasa Rao	-	-

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

### 2. BOARD COMMITTEES

The Board delegates certain responsibilities to the respective Committees of the Board which operate within clearly defined terms of reference. These Committees have the authority to examine issues and report to the Board with their proceedings and deliberations. On Board reserved matters, Committees shall deliberate and thereafter state their recommendations to the Board for its approval.

During Board meetings, the Chairman of the various Committees provide summary reports of the decisions and recommendations made at the respective Committee meetings and highlight to the Board any further deliberation that is required at Board level. These Committee reports and deliberations are incorporated into the minutes of the Committees and Board meetings.

The Company has four (4) principal Board Committees:

#### 2.1 Nomination Committee

The Nomination Committee of the Board consists of the following Independent Non-Executive Directors:

- Mohammad Nizar Bin Idris (Senior Independent Non-Executive Director and Chairman of the Nomination Committee);
- Nazariah Binti Ibrahim (Independent Non-Executive Director); and
- Datuk Iskandar bin Sarudin (Independent Non-Executive Director).

The Nomination Committee has been entrusted with the responsibility of proposing and recommending new nominees to the Board and the Board Committees as well as assessing Directors on an on-going basis.

The functions of the Nomination Committee include:

- formulating the nomination, selection and succession policies for members of the Board and Board Committees; and
- reviewing and recommending to the Board:
  - i. the optimum size of the Board;
  - ii. the required mix of skills, knowledge, expertise, experience and other qualities, including core competencies of Non-Executive Directors; and
  - iii. appointment to, and membership of, other Board committees.

In addition, the Nomination Committee has the function of assessing:

- the transparency of procedures for proposing new nominees to the Board and Committees of the Board;
- the effectiveness of the Board as a whole and the contribution of each individual Director and Board Committee member; and
- whether the investments of the minority shareholders are fairly reflected through Board representation.

The Nomination Committee meets as and when necessary and can also make decisions by way of circular resolutions. The Nomination Committee had, for the financial year, reviewed and deliberated on the proposed re-nomination of the directors who are retiring at the Eighteenth Annual General Meeting of the Company.

#### 2.2 Remuneration Committee

The Remuneration Committee of the Board consists of the following Directors:

- Datuk Iskandar bin Sarudin (Independent Non-Executive Director and Chairman of the Remuneration Committee); and
- Mohammad Nizar Bin Idris (Senior Independent Non-Executive Director).



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

The Remuneration Committee is entrusted with the following responsibilities:

- Recommending to the Board the policy and framework for Directors' remuneration as well as the remuneration and terms of service of the Executive Directors;
- Evaluating the performance and reward of the Executive Directors, including ensuring performance targets are established to achieve alignment with the interests of shareholders of the Company, with an appropriate balance between long and short-term goals;
- Designing and implementing an evaluation procedure for Executive Directors; and
- Reviewing, on a yearly basis, the individual remuneration packages of Executive Directors and making appropriate recommendations to the Board.

The Remuneration Committee meets as and when necessary and can also make decisions by way of circular resolutions. The Remuneration Committee had, for the financial year, reviewed the remuneration packages of the Executive Directors of the Company.

### 2.3 Audit Committee

The composition, terms of reference and a summary of the activities of the Audit Committee are set out separately in the Audit Committee Report.

### 2.4 Risk Management Committee

The Risk Management Committee of the Board consists of the following Independent Non-Executive Directors:

- Mohammad Nizar Bin Idris (Senior Independent Non-Executive Director and Chairman of the Risk Management Committee);
- Nazariah Binti Ibrahim (Independent Non-Executive Director); and
- Datuk Iskandar bin Sarudin (Independent Non-Executive Director).

The functions of the Risk Management Committee include:

- Evaluating the effectiveness of the internal control system and risk management framework adopted within Eversendai and to be satisfied that the methodology employed allows identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow Eversendai to mitigate losses and maximise opportunities;
- Recommending to the Board steps to improve the system of internal control derived from proposed internal control through the identified potential risk by the Risk Management Sub-Committee;
- Undertaking reviews of the consolidated risk register of major subsidiaries and associates within Eversendai to identify significant risks and whether these are adequately managed;
- Ensuring that the Board receives adequate and appropriate information including the annual risk report for decision making and review respectively;
- Commissioning where required, special projects to investigate, develop or report on specific aspects of the risk management processes of the Company; and
- Reviewing and proposing the Company's risk appetite and its acceptable tolerance level annually.

## 3. ACCOUNTABILITY AND AUDIT

### 3.1 Promoting Sustainability

The Board is devoted to promoting a sustainable business by recognising the importance of environmental, social and governance aspects on Eversendai's businesses. These include working within the law and community to be innovative and demonstrate efforts to meet the requirements of various stakeholders.

Details on Eversendai's sustainability activities are set out on pages 23 to 30 of this Annual Report.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

### 3.2 Code of Conduct

The Board has an official Code of Conduct which works as an ethical framework to guide actions and behaviours of all Directors and employees while at work. The Code of Conduct is made available to all employees in their respective country's local shared drive. The Code of Conduct lines up the fundamental policies of Health, Safety and Environmental Protection, Sexual Harassment, Accounting Standards and Records, Whistle Blower Policy, and Employee Conduct Expectation, Managing Conflicts of Interest and Preventing the Abuse of Power, Corruption, Insider Trading and Money Laundering and Terrorist Funding.

### 3.3 Conflict of Interest Situations

The Board is mindful on the probability of potential conflict of interest situations involving the Directors and the Company and guarantees its responsibility to making sure that such aspects of conflicts are avoided. It has been the practice of the Company to require that members of the Board make a declaration at the Board meeting in the event that they have interests in proposals being considered by the Board, including where such interest arises through close family members, in line with various statutory requirements on the disclosure of Director's interest. In all situations where the Directors could be deemed as interested, they would abstain from deliberation and discussion or decisions on matters in which they have a conflicting interest. The minutes of meeting would also reflect as such.

### 3.4 Anti-Bribery And Corruption Policy

Eversendai Corporation Berhad and all its subsidiaries (hereinafter referred to as Eversendai) prohibits bribery and corruption at all levels of employment and engagement of relevant stakeholders.

Eversendai complies strictly with all anti-bribery and anti-corruption laws and regulations applicable to the organisation in whichever country it conducts business irrespective of the local work environment, culture, customs and traditions.

All relevant stakeholders of Eversendai shall not accept and/or give bribes such as but not limited to products and services; gifts and hampers; food and drinks; entertainment and sponsorships for education; sponsorships for local and overseas travel; cash, credit facilities, discounts and monetary benefits of any kind for their personal, organisational and / or friends, family gains, and use or force anyone to accept or give bribes on their behalf.

All relevant stakeholders of Eversendai shall not encourage, engage in or promote corrupt practices such as but not limited to, cheating and stealing, collusion, extortion, breach of trust, conflict of interest, abuse of authority, embezzlement, trading under influence, falsifying documents, non-compliance with regulations, absconding during outstation / overseas work, submission of false claims, hiring illegal staff and workers, terrorist funding, fraud and money laundering for their personal, organisational and/or friends, family gains, and use or force anyone to encourage, engage in or promote corrupt practices on their behalf.

Any relevant stakeholder of Eversendai accused of accepting and/or giving bribes and/or encouraging, engaging in and promoting corrupt practices shall be subjected to a domestic inquiry and if found guilty shall be terminated from his/her employment.

Any relevant stakeholder of Eversendai who is a whistle blower and / or witness for reporting any acceptance and/or giving bribes and/or engaging in corrupt practices; shall be duly protected by Eversendai whistleblower policy.

This documented Eversendai Anti-Bribery and Corruption policy shall be reviewed periodically for control effectiveness and continual improvement, in meeting objectives and targets, displayed appropriately and made available to all relevant stakeholders, communicated in the appropriate language and trained for their understanding, acceptance and compliance.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

### 3.5 Whistleblowing Policy

Eversendai calls for the highest standards of integrity from all its employees and stakeholders. Eversendai views seriously any wrongdoing on the part of any of its Employees, Management, Directors and Vendors, especially with regards to their obligations to Eversendai's interests.

The Whistleblowing channel is made available to help all stakeholders raise concerns, without fear of retaliation, of any wrongdoing that they may observe within the Eversendai Group of companies.

Parties can report a Whistleblowing complaint if they are aware of any wrongdoings, including, but not limited to the following:

- fraud;
- misappropriation of assets;
- sexual harassment;
- criminal breach of trust;
- illicit and corrupt practices;
- questionable or improper accounting;
- misuse of confidential information;
- acts or omissions which are deemed to be against the interest of the Company, laws, regulations or public policies;
- giving false or misleading information (including suppression of any material facts or information);
- breaches of Group Policies and Code of Conduct; or
- the deliberate concealment of any of the above matter or other acts of wrongdoings.

#### *Procedures*

All Protected Disclosures are to be disclosed in writing to the Group Managing Director or the Chairman of the Audit Committee of the Company. Disclosures can be made through an email [whistleblower@eversendai.com](mailto:whistleblower@eversendai.com), directly accessible to the Group Managing Director or via a letter addressed to Group Managing Director's office.

#### *Action*

All reports will be investigated promptly by the investigator appointed by the Group Managing Director or Audit Committee. The appointed investigator for the duration of the enquiry will be reporting all matters directly to the Group Managing Director's office. To ensure proper investigation, all departments are obliged to furnish any documentation asked for by the appointed investigator during the course of enquiry, provided they may be relevant to the investigation.

The progress of investigation will be reported to the Audit Committee no later than at the next scheduled meeting. Upon completion of investigation, appropriate course of action will be recommended to the Committee for their deliberation. Decision made by the Committee will be implemented immediately.

#### *Protection*

The Company recognises that the decision to report a concern can be a difficult one to make. The identity of the Whistle Blowers shall be kept confidential to the extent possible and permitted under law. However, if the need arises for the matter to be taken up in court, the Whistle Blower should be willing to present himself/herself to court and furnish details of the malpractices highlighted by him/her.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

### 3.6 Financial Reporting & Compliance

The Board is committed to providing a clear, balanced and comprehensive account on the financial performance and position of Eversendai through quarterly and yearly announcements of its results as well as through its comprehensive annual report.

Company law requires the Directors to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the Company and of Eversendai and of the results and cash flows of the Company and Eversendai for that period.

In preparing the financial statements, the Directors have applied suitable accounting policies and applied them consistently. The Directors have also ensured that all applicable accounting standards have been followed in the preparation of the financial statements.

### 3.7 Internal Control

The Board is responsible in establishing and maintaining a sound internal control system to mitigate any significant risk to the company. The system of internal control is set to ensure the reliability and integrity of financial and operational systems, efficiency and effectiveness in achieving the company objective, safeguarding of assets and compliance with the policies, regulations, procedures and laws.

The Board through Audit Committee will assess the effectiveness of internal control systems by reviewing the issues, recommendations and management responses presented by the Group Internal Audit Function.

### 3.8 Risk Management

The Board recognises the importance of Enterprise Risk Management ("ERM") in supporting Eversendai's objectives in enhancing shareholders' value and business success by minimising unforeseen risks. Eversendai has in place a clear on-going process for identifying, evaluating and managing significant risks facing Eversendai. The Board through the Risk Management Committee, monitors risks and internal control.

The Statement on Risk Management and Internal Control which provides an overview of Eversendai's state of internal control has been set out on pages 51 to 54 of this Annual Report

### 3.9 Internal Audit

Eversendai has an established internal audit function performed by the in-house group internal audit department ("GIAD") which is in charge of the overall internal audit activities of Eversendai. Its principle objective is to undertake regular reviews of key processes, monitor compliance with policies and procedures, evaluate the adequacy and effectiveness of the internal control and risk management system, highlight significant findings, as well as propose enhancement and corrective measures in respect of any non-compliance on a timely basis.

### 3.10 Relationship with Independent Auditors

The Board, through the Audit Committee, maintains a transparent and professional relationship with the internal and independent auditors. The Audit Committee has been explicitly accorded the authority to communicate directly with both the internal and independent auditors. From time to time, the auditors would highlight to the Audit Committee and the Board on matters that require the Board's attention.

### 3.11 Corporate Disclosure Policy

Eversendai also has in place a Corporate Disclosure Policy, which emphasises on comprehensive, accurate, balanced, clear and timely disclosure of material information to enable informed and orderly decisions by the shareholders and investors.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

### 4. SHAREHOLDERS COMMUNICATION

#### 4.1 Shareholders Communication

Eversendai strives to maintain an open and transparent channel with its stakeholders, institutional investors and the investing public at large with the objective of providing clear and complete information of Eversendai's performance and financial standing.

Announcements on all significant developments and matters of Eversendai are made to Bursa Securities. Shareholders and stakeholders are provided with a regular overview of Eversendai's performance via the financial results which are released on a quarterly basis within the mandatory period. The Investor Relations section of Eversendai's website holds all the announcements made by the Company to Bursa Securities.

As part of the Company's active investor relations programme, discussions and dialogues are held with fund managers, financial analyst, shareholders, potential investors and members of the media to convey information about the Company's performance, strategy and other matters affecting shareholders' interest.

#### 4.2 Dialogue between the Company and Investors

The Board believes that Eversendai should be transparent and accountable to its shareholders and investors.

In ensuring this, the Company has been actively communicating with its shareholders and stakeholders through the following medium:

- Release of financial results on a quarterly basis;
- Press releases and announcements to Bursa Securities and subsequently to the media; and
- Meetings with institutional investors.

Eversendai's website at [www.eversendai.com](http://www.eversendai.com) is a significant communication network to reach shareholders and general public which offers detailed information on Eversendai's businesses and latest developments. It is upgraded and updated from time to time to provide current and comprehensive information about Eversendai.

The website also incorporates a dedicated section for investor relations and corporate governance which enhances the investor relation function by including all relevant up-to-date information of Eversendai such as announcements to Bursa Securities, quarterly results and audited financial statements, annual report, Board Charter, investor presentations, share price and financial information.

The Company acknowledges the need for a specific medium for shareholders and investors to direct their queries or requests for additional information.

To obtain all relevant information about Eversendai, investors and shareholders are encouraged to direct their queries to

Contact details:

Tel no. +603-7733 3300

Email: [ir@eversendai.com](mailto:ir@eversendai.com)

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

### 4.3 Annual General Meeting

The Annual General meeting (“AGM”) is the principal forum for dialogue with all shareholders who are encouraged and are given sufficient opportunity to enquire about Eversendai’s activities and prospects as well as to communicate their expectations and concerns.

Twenty-one (21) days prior to the meeting, all shareholders of Eversendai will receive a copy of the annual report and notice of AGM, the notice is also advertised in the press and released on Bursa Securities. This leaves the shareholders with sufficient time to review the Annual Report as well as to make necessary arrangements to attend the meeting. Shareholders are also encouraged to participate in the Question and Answer session on the resolutions being proposed or about Eversendai’s operations in general. Shareholders who are unable to attend are allowed to appoint proxies in accordance with the Company’s Constitution to attend and vote on their behalf.

The Chairman and the Board members are in attendance to provide clarification on shareholders’ queries. Where appropriate, the Chairman of the Board will endeavour to provide the shareholders with written answers to any significant questions that cannot be readily answered during the AGM. Shareholders are welcome to raise queries by contacting the Company at any time throughout the year and not only at the AGM.

Each notice of a general meeting, which includes any item of special business, will be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. Separate resolutions are proposed for substantially separate issues at the AGM.

To strengthen transparency and efficiency in the voting process and in line with the recent amendments to the MMLR, Eversendai implements poll voting for all the resolutions set out in the Notice of AGM. Eversendai has appointed an independent external scrutineer to validate all the votes in the coming meeting. The outcome of the AGM is released to Bursa Malaysia Securities Berhad on the same meeting day.

This Corporate Governance Overview Statement was approved by the Board on 25 May 2021.

The Corporate Governance Report (“CGReport”) which discloses Eversendai’s application of each recommended practice in the MCGG 2017 is available on the Bursa Securities Malaysia website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

## AUDIT COMMITTEE REPORT

The Audit Committee (“AC”) was established on 21 April 2011. Eversendai Corporation Berhad (“ECB”) was listed on the Main Market of Bursa Malaysia Securities Berhad on 1 July 2011.

### TERMS OF REFERENCE

The terms of reference are set out on pages 47 to 50.

### MEMBERSHIP AND MEETINGS

The AC comprises of three Independent Non-Executive Directors. The Chairman of the Audit Committee, Nazariah Binti Ibrahim is a qualified Chartered Accountant and a member of the Malaysia Institute of Accountants.

During the year, the AC held four (4) meetings without the presence of the Executive Directors, except when their attendance was at the invitation of the AC. The Finance Controller and Group Internal Audit Department (“GIAD”) attended the AC meetings upon invitation by the AC. The representatives of the Independent Auditors also attended two AC meetings upon invitation by the Committee.

The members of the Committee and details of their attendance at meetings during the year are as follows:

NAME	STATUS OF DIRECTORSHIP	NO. OF MEETINGS ATTENDED
Nazariah Binti Ibrahim (Chairmanwoman)	Independent Non-Executive Director	4 of 4
Mohammad Nizar Bin Idris	Senior Independent Non-Executive Director	4 of 4
Datuk Iskandar Bin Sarudin	Independent Non-Executive Director	4 of 4

All the members of the AC are financially literate and are able to analyse and interpret financial statements to effectively honour their duties and responsibilities as members of the AC. The AC members’ profiles are available in the “Profile of Directors” section set out on pages 17 to 19.

### SUMMARY OF ACTIVITIES

The activities of the AC during the year encompassed the following:

#### 1. Financial Results and Announcements

- (a) Reviewed the quarterly financial results of Eversendai and the related announcements, prior to recommending to the Board for their approval and the release of the results to Bursa Malaysia Securities Berhad, focusing on the following matters:
  - i. Changes in or implementation of major accounting policy changes;
  - ii. Significant and unusual events;
  - iii. Compliance with accounting standards and other legal requirements; and
  - iv. The going concern assumption.

#### 2. Independent Audit

- (a) Reviewed with the Independent auditors, their terms of engagement, proposed auditors’ remuneration and the audit plan for the financial year ended 31 December 2020 to ensure that their scope of work adequately covers the activities of Eversendai;
- (b) Reviewed the results and issues arising from the independent auditors’ audit of the year-end financial statements and the resolution of issues highlighted in their report to the AC;
- (c) Reviewed the independence, objectivity, and cost-effectiveness of the independent auditors before recommending to the Board their re-appointment and remuneration; and
- (d) Reviewed compliance of the independent auditors with ECB’s external audit independence policy.

**AUDIT COMMITTEE REPORT (Cont'd)****3. Internal Audit**

- (a) Reviewed the proposed 2020 annual risk-based internal audit plan to ensure adequacy of the scope and coverage of works which includes risk areas and key processes which includes project management, project costing, subcontractor's claims, procurement process, financial statements, human resources and production monitoring by entities;
- (b) Reviewed the effectiveness of the audit process, resource requirements for the year and assessed the performance of the Internal Audit function, including adequacy of the terms of reference; and
- (c) Reviewed the internal audit reports and updates, presented by the GIAD.

**4. Related Party Transactions**

- (a) Reviewed related party transactions for compliance with the Main Market Listing Requirements of Bursa Securities ("MMLR") and Eversendai's policies and procedures as well as the appropriateness of such transactions before recommending them to the Board for its approval; and
- (b) Reviewed the procedures for securing the shareholders' mandate for Recurrent Related Party Transactions.

**5. Others**

- (a) Reviewed with management, the reports on material litigation; and
- (b) Reviewed the Report of the AC, the Statement on Risk Management and Internal Control and the Statement of Corporate Governance prior to their inclusion in the Company's Annual Report.

**GROUP INTERNAL AUDIT FUNCTION**

Eversendai has an established Internal Audit Department which reports to the AC of the Board. The primary responsibility of this independent GIAD function is to undertake regular and systematic reviews of the system of internal controls and to provide reasonable assurance that the system operates satisfactorily and effectively within Eversendai. The internal audit function adopts a risk-based audit methodology, which is aligned with the risks of Eversendai to ensure that the relevant controls addressing those risks are reviewed on a rotational basis.

The activities carried out by the GIAD include amongst others, the review of the adequacy and effectiveness of risk management and the system of internal controls, compliance with established rules, guidelines, laws and regulations, reliability and integrity of information and the means of safeguarding assets.

**TERMS OF REFERENCE OF THE AC**

The AC is governed by the following terms of reference which have been applied by Eversendai from 31 May 2018.

**1. Composition**

The members of AC shall be appointed by the Board from amongst the Directors of the Company and shall comprise of at least three (3) members, all of whom must be Non-Executive Directors, with all of them being independent. The Board shall at all the times ensure that at least one (1) member of the AC:

- (a) must be a member of the Malaysian Institute of Accountants ("MIA"); or
- (b) if he is not a member of the MIA, he must have at least three (3) years' working experience and:
  - i. passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
  - ii. must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
  - iii. fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.



## AUDIT COMMITTEE REPORT (Cont'd)

The AC shall elect a Chairman from among its members and the elected Chairman shall be an Independent Director.

No alternate director shall be appointed as a member of the AC. The term of office and performance of the AC and each of its members shall be reviewed by the Board annually to determine whether the members have carried out their duties in accordance with their terms of reference.

In the event of any vacancy in the AC resulting in the non-compliance of the above paragraph, the Board must fill the vacancy within 3 months.

### 2. Authority

- (a) The AC is authorised by the Board to investigate any matter within the AC's terms of reference. It shall have full and unrestricted access to any information pertaining to Eversendai and shall have the resources it requires to perform its duties. All employees of Eversendai are required to comply with the requests made by the AC.
- (b) The AC is authorised by the Board to obtain external legal or independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary, the expenses of which will be borne by the Company.
- (c) The AC shall have direct communication channels with the Independent Auditors and person(s) carrying out the internal audit function or activity.
- (d) The AC shall be able to convene meetings with the Independent Auditors, the internal auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary, in order to enable the AC and the Independent Auditors or the internal auditors or both, to discuss problems and reservations and any other matter the Independent Auditors or Internal Auditors may wish to bring up to the attention of the AC.
- (e) The Internal Auditors report directly to the AC and shall have direct access to the Chairman of the AC on all matters of control and audit. All proposals by management regarding the appointment, transfer and removal of Head of the Internal Audit of Eversendai shall require prior approval of the AC.

### 3. Duties and Responsibilities

In fulfilling its primary objectives, the Audit Committee shall undertake, amongst others, the following duties and responsibilities:

#### (a) Financial Reporting

To review the quarterly and annual financial statements of Eversendai prepared by the management, where necessary, together with the Independent Auditor, focusing particularly on:

- i. Any significant changes to accounting policies and practices;
- ii. Significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed;
- iii. Significant adjustments arising from the audit;
- iv. Compliance with accounting standards and other legal requirements; and
- v. Going concern assumption.

#### (b) Internal Audit Function

- i. To review and approve the Group Internal Audit Charter of Internal Audit Function in Eversendai.
- ii. To review the effectiveness of internal audit function, including the ability, competency and qualification of the internal audit team and/or outsourced internal auditors (if any) to perform its duties.
- iii. To review the adequacy of the scope, functions competency and resources, and that it has the necessary authority to carry out its work.
- iv. To review and approve the internal audit plan and the internal audit report and, where necessary, ensure that appropriate actions are taken on the recommendations made by the internal audit function.



**AUDIT COMMITTEE REPORT (Cont'd)**

- v. To receive and review on a regular basis the reports, findings and recommendations of the internal audit team and/or outsourced internal auditors and to ensure that appropriate actions have been taken to implement the audit recommendations.
  - vi. To ensure the internal audit team and/or outsourced internal auditors has full, free and unrestricted access to all activities, records, property and personnel necessary to perform its duties.
  - vii. To review any matters concerning the employment or appointment (and re-appointment) of the in-house and/or the outsourced internal auditors (as the case may be) and the reasons for resignation or termination of either party.
  - viii. To request and review any special audit which the AC deems necessary.
- (c) Independent Audit
- i. To review the Independent Auditors' audit plan, nature and scope of the audit plan, audit report, evaluation of internal controls and co-ordination of the Independent Auditors.
  - ii. To review the annual performance assessment, including the suitability and independence of the Independent Auditors and make recommendations to the Board, the appointment or reappointment of the Independent Auditors.
  - iii. To assess or determine the suitability and independence of the Independent Auditors, the AC shall take into consideration of the following:
    - the adequacy of the experience and resources of the Independent Auditors;
    - the Independent Auditors' ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the Independent Auditor plan;
    - the nature of the non-audit services provided by the Independent Auditors and fees paid for such services relative to the audit fee; and
    - whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the Independent Auditors.
  - iv. To review any matters arising concerning the appointment and re-appointment, audit fee and any questions of resignation or dismissal of the Independent Auditors.
  - v. To review the Independent Auditors' audit report, and management letter and management's response to the management letter.
  - vi. To be advised of significant use of the Independent Auditors in performing non-audit services within Eversendai, considering both the types of services rendered and the fees, such that their position as auditors are not deemed to be compromised.
  - vii. To review the Independent Auditors' findings arising from audits, particularly any comments and responses in audit recommendations as well as the assistance given by the employees of Eversendai in order to be satisfied that appropriate action is being taken.
  - viii. To review with the Independent Auditors for the Statement on Risk Management and Internal Control of Eversendai for inclusion in the Annual Report.
- (d) Related Party Transactions/Conflict of Interest Situations
- i. To review any related party transactions and conflict of interest situations that may arise within Eversendai including any transaction, procedure or course of conduct that raises questions of management integrity.
- (e) Audit Reports
- i. To prepare the annual AC report to the Board which includes the composition of the AC, its terms of reference, number of meetings held, a summary of its activities and the existence of internal audit services and summary of the activities for inclusion in the Annual Report and to review the Board's statements on compliance with the Malaysian Code of Corporate Governance for inclusion in the Annual Report.
- (f) Other Matters
- i. To exercise its powers and carry out its responsibilities as may be required from time to time under the Whistleblower Policy of Eversendai.
  - ii. To carry out any other function that may be mutually agreed upon by the AC and the Board.

**AUDIT COMMITTEE REPORT (Cont'd)****4. Meeting of The Committee**

- (a) The AC shall convene meetings as and when required, and at least four times during the financial year of Eversendai Corporation Berhad
- (b) The meetings and proceedings of the AC are governed by the provisions of the policies and procedures of the Company regulating the meetings and proceedings of the Board so far as the same are applicable.
- (c) The number of AC meetings held a year and the details of attendance of each individual member in respect of meetings held should be disclosed in the annual report.
- (d) The Chairman, or the Secretary of the AC on the request of any member, the Head of Internal Audit or the Independent Auditors, shall at any time summon a meeting of the AC by giving reasonable notice. It shall not be necessary to give notice of an AC meeting to any member who at the time is overseas.
- (e) The Chairman of the AC shall chair the AC meetings and, in his absence, the members present shall elect one amongst themselves to be the Chairman of the meeting.
- (f) Officers of Eversendai or others as necessary may be invited to attend meetings where the AC considers their presence necessary.
- (g) All recommendations of the AC shall be submitted to the Board for approval.
- (h) An AC member shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for the member. Where this causes insufficient Directors to make up a quorum, the AC has the right to appoint another one or more Director(s), who meet the membership criteria.

**5. Quorum**

The quorum for a meeting of the Audit Committee shall consist of not less than two (2) members, majority of members present must be Independent Non-Executive Directors.

**6. Notice of Meetings**

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the AC, any other person required to attend and all other non-executive directors, no later than seven (7) days before the date of the meeting. Supporting papers shall be sent to AC members and to other attendees as appropriate, at the same time.

**7. Secretary and Minutes**

The Company Secretary or his nominee or such other persons authorised by the Board shall act as the Secretary of the AC. The Company Secretary shall record, prepare and circulate the minutes of the meetings of the Audit Committee and ensure that the minutes are properly kept and produced for inspection if required.

## ADDITIONAL CORPORATE DISCLOSURE

The following disclosures in respect of the financial year ended 31 December 2020 are provided for shareholders' information and in accordance with the requirements of Bursa Malaysia Securities Berhad:

### 1. Utilisation of proceeds from corporate proposals

There were no proceeds raised from any corporate proposal during the financial year ended 31 December 2020.

### 2. Warrants

A total 390,499,496 free warrants were issued by the Company on 19 October 2020 on the basis of one (1) warrant for every two (2) existing ordinary shares held. The warrants will expire on 18 October 2025.

### 3. Audit and non-audit fees

The audit and non-audit fees paid or payable for services rendered by the Company's independent auditors and their affiliated company or firm to the Group and the Company for the financial year ended 31 December 2020 are as follows:

	Group RM'000	Company RM'000
Audit fees	1,120	94
Non-audit fees	82	66

### 4. Material contracts involving directors and major shareholders' interest

Save for the recurrent related party transactions disclosed in item 4, there were no material contracts including those of a borrowing nature entered into by Eversendai involving the directors' and major shareholders' interests, which subsisted at the end of the financial year ended 31 December 2020 or, if not then subsisting, entered into since the end of the previous financial year.

### 5. Recurrent related party transactions

All recurrent related party transactions entered into by Eversendai were made in the ordinary course of business at arm's length and are based on normal commercial terms that are not more favourable to the transacting related party than those generally available to non-related party and will not be detrimental to the interests of minority shareholders of the Company.

Details of the recurrent related party transactions entered into by Eversendai during the financial year ended 31 December 2020 are disclosed in Note 37 to the Financial Statements on pages 104 to 105 of the Audited Financial Statement.

At the Seventeenth Annual General Meeting of the Company held on 10 September 2020, the Company had obtained approval from the shareholders for the renewal of the shareholders' mandate to enter into recurrent related party transactions of a revenue or trading nature with certain related parties. The said shareholders' mandate took effect from 10 September 2020 until the conclusion of the forthcoming Eighteenth Annual General Meeting of the Company, in which the Company intends to seek for a renewal of the shareholders' mandate for existing recurrent party transactions and the proposed new shareholder's mandate for additional recurrent related party transactions, proposed by the Board of Directors. Details of the mandates to be sought are furnished in the Circular to Shareholders which will be available for download from the Company's website at <http://www.eversendai.com/web/18th-annual-general-meeting/>.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### INTRODUCTION

The Board of Eversendai Corporation Berhad is pleased to share the key aspects of Eversendai's internal control system in respect of the financial year ended 31 December 2020. Eversendai in honouring its responsibilities has established procedures of internal control that are in accordance with the guidance as set out in the "Statement on Risk Management and Internal Control: Guidance for Directors of Listed Issuers". These procedures, which are subject to regular review by the Board, provide an on-going process for identifying, evaluating and managing significant risks faced by Eversendai that may affect the achievement of its business objectives.

### BOARD'S RESPONSIBILITY

The Board is fully committed to the maintenance of a sound internal control environment to safeguard shareholders' investments and Eversendai's assets. The Board has an overall responsibility for Eversendai's system of internal control and performs a continuous review on the adequacy, integrity, and effectiveness of the risk management and internal control system. The system of internal control is designed to manage, mitigate or eliminate, if practical, risks that may impede the achievement of Eversendai's business objectives. Internal control systems can only provide reasonable and not absolute assurance against material misstatement or loss.

### RISK MANAGEMENT

The Board recognises the importance of Enterprise Risk Management ("ERM") in supporting Eversendai's objectives in enhancing shareholders' value and business success by minimising unforeseen risks. Eversendai has a clear on-going process for identifying, evaluating and managing significant risks facing Eversendai. Such process has been in place for the year under review and up to the date of approval of this statement for inclusion in the annual report. Eversendai has further enhanced its risk management practices by conducting risk awareness workshop to raise awareness to staff and formalising the risk management process through the implementation of the ERM software.

The ERM framework is managed and documented in a risk register to assist Eversendai's operational managers to continuously conduct discussions to identify, analyse, monitor and evaluate the progress of the identified risks and reports the results to the Risk Management Committee ("RMC"). The RMC comprises members of Independent Directors and Risk Management Sub Committee ("RMSC") comprises management team. RMSC will update the RMC on quarterly basis (except during circumstances unforeseen and/or beyond our control due to resignations or operational exigencies) on the consolidated risk register and risk management activities. This will ensure that adequate attention and focus is placed on risk management.

### RISK MANAGEMENT FRAMEWORK AND PROCESSES

The framework describes policy and procedures of the risk management process and encompasses the following key elements:

#### 1. Corporate Risk Management Policy

The policy explains the objectives of risk management functions and agreed risk appetite and acceptable level of risk by the Board of Directors and Management.

#### 2. Roles Of Board Of Directors, Management And Rmc

This section encompasses roles and responsibilities of Board of Directors and the Management towards the risk management functions in the company. RMC members act as primary champions who are responsible to review consolidated risk register of major subsidiaries within Eversendai and to ensure the significant risks are identified and managed adequately. Head of Company at each subsidiary level plays a role in managing the agreed action plan for significant risks with the assistance of appointed Risk Coordinators ("RC").

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

### 3. Risk Management Process

The company has adopted ISO 31000:2009 Risk Management as a guideline for managing risk throughout Eversendai. Risk owners are responsible to identify, mitigate, prevent or reduce significant risks that would affect Eversendai in achieving its objectives. Each key business unit has nominated RC's who are responsible to guide risk owners to identify, monitor and develop action plans to mitigate the risks. The RCs are supported by Risk Management Unit ("RMU") who monitor and guide the RCs on risk areas. RMU reviews every new risk identified and authenticate the viability of action plan provided by each RC.

The RMSC will present quarterly reports (except during circumstances unforeseen and/or beyond our control due to resignations or operational exigencies) on the enterprise risk map and analysis of the ERM register, status of progress and propose changes for improvements to RMC and the Board for review.

### CONTROL ENVIRONMENT STRUCTURE

The Board and Management have established numerous processes to identify, evaluate and manage significant risks faced by Eversendai. These processes include updating the system of internal control when there are changes to the business environment or regulatory guidelines. The key elements of Eversendai's control environment include the following:

#### 1. Organisation Structure

The Board is supported by a number of established Board committees, namely the Audit, Nomination, Remuneration and Risk Management Committees, in honouring its responsibilities toward risk management and internal control. Each Committee has a set of clearly defined terms of reference. Responsibility for the implementation of Eversendai's strategies and day-to-day businesses are delegated to management. The organisation structure sets out clear segregation of roles and responsibilities, lines of accountability and levels of authority to ensure effective and independent stewardship.

#### 2. Audit Committee

The Audit Committee is instituted by the Board to undertake the review of the systems of internal control and risk management framework in Eversendai. The Audit Committee comprises 3 Independent Non-Executive Directors. The Audit Committee evaluates the adequacy and effectiveness of Eversendai's internal control systems and reviews internal control issues identified by Internal Auditors, Independent Auditors and the Management. Throughout the financial year, the Audit Committee members are briefed by the management during the presentation of the quarterly financial performance and results on corporate governance practices, updates of Malaysian Financial Reporting Standards, as well as legal and regulatory requirements in addition to key matters affecting the financial statements of Eversendai.

The Audit Committee also reviews and reports to the Board the engagement and independence of the Independent Auditors and their audit plan, nature, approach, scope and other examinations of the independent audit matters. It also reviews the effectiveness of the internal audit function which is further described in the following section on Internal Audit.

The current composition of the Audit Committee members brings with them a wide variety of knowledge, expertise, and experience from different industries and backgrounds. They continue to meet regularly and have full and unimpeded access to the Internal and Independent Auditors and all employees of Eversendai.

**STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)****3. Internal Audit**

The Group Internal Audit Department (“GIAD”) continues to independently review key processes, monitor compliance with policies and procedures, evaluate the adequacy and effectiveness of internal control and risk management systems and highlight significant findings, enhancements and corrective measures in respect of any non-compliance on a timely basis. Its work practices are governed by the Internal Audit Charter, which is subject to revision on an annual basis. The annual audit plan, established primarily on a risk-based approach, is reviewed and approved by the Audit Committee annually before the commencement of the following financial year and an update is given to the Audit Committee every quarter. The Audit Committee oversees the Internal Audit department’s function, its independence, the scope of work and resources. The Head of GIAD presents to the Audit Committee the audit results and significant matters raised in the audit reports for the audits undertaken in the respective area of operations on a quarterly basis (except during circumstances unforeseen and/or beyond our control due to resignations or operational exigencies). Follow-up audits were also carried out to determine the status of implementation of agreed corrective actions based on the previous audit issues reported.

During the year, some areas for improvement in the internal control system were reported by the GIAD to the Audit Committee. However, no weakness in internal control has resulted in material losses, contingencies or uncertainties which would require disclosure in this annual report. Management has been responsive to the issues raised and has taken appropriate measures to address the areas for improvement that have been highlighted. The effectiveness of the system of internal control is constantly reviewed and enhanced in response to changes in the operating environment. The cost of the Group Internal Audit function for 2020 is RM118,882. Further activities of the Internal Audit function are set out in the Audit Committee Report on pages 45 to 49.

**4. Legal**

The Legal department plays a pivotal role in ensuring that the interests of Eversendai are preserved and safeguarded from a legal perspective. It also plays a key role in advising the Board and the Management on legal and strategic matters.

**5. Limits Of Authority**

The Group’s Discretionary Authority Limits (“DAL”) policy sets the authorisation limits at the various levels of management and staff, and also matters requiring Board approval; to ensure accountability, segregation of duties and control over Eversendai’s financial commitments. The DAL policy is reviewed and updated periodically to reflect business, operational and structural changes.

**6. Policies And Procedures**

There is extensive documentation of policies and procedures in manuals including those relating to Financial, Contract Management, Procurement, Project Management, Human Resources and Information Systems. These policies and procedures are continuously being enhanced.

**7. Financial And Operational Information**

A detailed budgeting and reporting process have been established. Comprehensive budgets are prepared by the operating units and presented to the Board. Upon approval of the budget, Eversendai’s performance is then tracked and measured against the approved budget on a monthly basis. Reporting systems which highlight significant variances against the plan are in place to track and monitor performance. These variances in financial as well as operational performance indices are incorporated in detail in the monthly management reports. On a quarterly basis, the results are reviewed by the Board to enable them to measure Eversendai’s overall performance compared to the approved budgets and prior periods.



## **STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)**

### **MONITORING AND REVIEW**

The processes adopted to monitor and review the effectiveness of the system of internal control include:

1. Management Representation to the Board by the Group Managing Director on the control environment of Eversendai, based on representations made to him by management on the control environment in their respective areas. Any exceptions identified are highlighted to the Board.
2. Internal Audit in their quarterly report (except during circumstances unforeseen and/or beyond our control due to resignations or operational exigencies) to the Audit Committee continues to highlight significant issues and exceptions identified during the course of their review on processes and controls compliance. The Chairman of the Audit Committee updates the Board on the significant matters deliberated upon and the decisions made during the Audit Committee meetings.

In December 2020, a comprehensive risk assessment exercise was undertaken to address the impact of Covid-19 across all countries which the Group operates in. This covers personnel, Government Acts and related Regulations arising from the pandemic, new and existing projects, operations, and financial implications. Risk treatment measures were identified, reviewed, and followed through in May 2021 to ensure that the actions implemented / to be implemented were in effect.

### **REVIEW OF STATEMENT BY INDEPENDENT AUDITORS**

As required by paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the independent auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with ISAE 3000, Assurance Engagements other than Audit or Reviews of Historical Financial Information and Recommended Practice Guide 5 (Revised) issued by the Malaysian Institute of Accountants does not require the independent auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of Eversendai.

Based on their procedures performed, the independent auditors have reported to the Board that nothing has come to their attention that caused them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by Paragraph 41 and 42 of the Guidelines to be set out, nor is it factually inaccurate.

### **CONCLUSION**

For the financial year under review and up to the date of issuance of the financial statements, Eversendai's Group Managing Director to the best of their ability and knowledge confirm that Eversendai's risk management and internal control systems are adequate and effective to safeguard shareholders' investments and Eversendai's assets. The Board is satisfied that the system of risk management and internal control is satisfactory and has not resulted in any material loss, contingency or uncertainty that would require separate disclosure in Eversendai's Annual Report.



## **STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF AUDITED FINANCIAL STATEMENTS**

The Directors are required by the Companies Act 2016 ("Companies Act") and the Main Market Listing Requirements of Bursa Securities to prepare financial statements for each financial year in accordance with the applicable Malaysian Financial Reporting Standards (MFRSs), the International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of their financial performance and cash flows for the financial year.

In preparing the financial statements, the Directors have:

- Considered the requirements of the Companies Act in Malaysia;
- Considered the requirements in accordance to MFRSs and IFRSs;
- Adopted and consistently applied appropriate accounting policies;
- Made prudent and reasonable judgements and estimates; and
- Ensured that the financial statements are prepared on a going concern basis as the Directors have a reasonable expectation, having made enquires, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors have the responsibility to ensure that the Group and the Company retain the accounting and other records and the registers of the Group and of the Company and are in accordance with the requirements of the Companies Act in Malaysia.

The Directors have the general responsibility for undertaking reasonable steps to safeguard the assets of the Group and of the Company and are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**LIST OF GROUP PROPERTIES**

As At 31 December 2020

	Location & Address	Description of property/ existing use	Built-up/ land area (sq.ft.)	Tenure/ date of expiry of lease	Approx. age of building	Year of acquisition	Net book value (RM'000)
<b>Eversendai Corporation Berhad</b>							
1	Lot 19191, 19956 and 19957, Seksyen 20, Bandar Rawang, District of Gombak  Lot 19956, Jalan Industri 3/6, Rawang Integrated Industrial Park, 48000 Rawang, Selangor Darul Ehsan, Malaysia	2-storey office building and 1-storey factory/ head office and fabrication factory/ 3 pieces of land under the category of land use for industrial purpose/ fabrication factory	94,722/ 471,771	Freehold/-	< 11 years	2007	^27,209
2	Lot 19072, 19073 and 19074, Seksyen 20, Bandar Rawang, District of Gombak	3 pieces of land under the category of land use for industrial purpose/ fabrication factory	-/204,719	Freehold/-	-	2010	4,610
<b>ECB Properties Sdn. Bhd.</b>							
3	Geran 111868, Lot No. 67331 and Geran 111869, Lot No. 67332, Mukim of Sungai Buloh, Daerah Petaling, Negeri Selangor in Mutiara Damansara, Malaysia	2 parcels of commercial land	-/87,759	Freehold/-	-	2013	61,290
4	Geran 93135, Lot No. 22510, Bandar Kundang, Daerah Gombak, Negeri Selangor, Malaysia	1 piece of land under the category of land use for agriculture	-/2,080,661	Freehold/-	-	2013	50,131
<b>Eversendai Engineering LLC, Dubai</b>							
5	Plot no. 242-337, Al-Qusais Industrial Area 1, Dubai, UAE	2 blocks of 2-storey office buildings and a 3-bays shop/ head office and fabrication factory	85,315/ 80,000	Leasehold 30 years expiring 10 May 2029	< 16 years	2004	618
6	Plot no. 264-972, Community 264, Street 32a/29b, Muhaisanah Second, Dubai, UAE	3 blocks of 2-storey steel buildings with 96 rooms/ worker accommodation	29,572/ 36,400	Leasehold 30 years expiring 13 July 2038	< 13 years	2008	12,506
7	Plot no. 264-573, Community 264, Street 32a/29b, Muhaisanah Second, Dubai, UAE	1 block of 3-storey concrete building with 263 rooms/ worker accommodation	93,570/ 39,811	Leasehold 99 years expiring 4 August 2109	< 11 years	2010	6,840
8	Plot no. 264-488, Community 264, Street 32a/29b, Muhaisanah Second, Dubai, UAE	Plot for worker accommodation	121,092/ 60,000	Leasehold 99 years / 29 January 2107	< 4 years	2017	29,924
<b>Eversendai Engineering Qatar WLL</b>							
9	Plot no. 6089/6090, Qatar Medium and Small Industrial Area, Street No.41, New Industrial Area, P.O. Box 35283, Doha, Qatar	2-storey office building with a 3-bays factory/ head office and fabrication factory	285,665/ 296,427	Leasehold 25 years expiring 15 August 2031	< 13 years	2007	11,905

**LIST OF GROUP PROPERTIES(Cont'd)**

As At 31 December 2020

	Location & Address	Description of property/ existing use	Built-up/ land area (sq.ft.)	Tenure/ date of expiry of lease	Approx. age of building	Year of acquisition	Net book value (RM'000)
<b>Eversendai Construction Private Limited, India</b>							
10	Plot no. 2/12, Poonthottam 1st Street, Nanganallur, Chennai 600 114, No. 134, Nanganallur Village, Tambaram Taluk, Kancheepuram District, Chennai South Registration District, Alandur Sub Registration District, Alandur Municipality Limits, Tamil Nadu, India	3-storey office building/ engineering office	5,500/ 3,750	Freehold/-	< 46 years	2010	521
11	No.199/4, 8, 472/1A,1B, 2, 3, 4, 5, 6 & 7A Siruganur Village, Manachanallur Talu, Trichy District, Tamil Nadu, India &  No.266/3A, 3B, 3C & 3D, 267/2A, 2B, 2C, 3 & 4, 268/1, 2, 269/6.7A, 7B, 8, 9 & 10, Reddimangudi Village, Lalgudi Taluk, Trichy District, Tamil Nadu, India	Land/ Workshop (U-shaped industrial sheds) with office buildings, paint shop, canteen buildings, open yard storage/steel fabrication, painting, storage of temporary support steel structure and scaffolding, lifting tools and tackles, and industrial	676,166 & 1,004,427	Freehold/-	< 7 years	2011	9,502 & 15,929
12	Plot no.1 & 2 (Np), The Lords. Block-1, 5th & 6th Floor, Northern Extension Area, Thiru-vi- ka Industrial Estate Ekkatuthangal, Chennai 600032, Tamil Nadu	Office Building	35,296	Freehold/-	< 15 years	2013	14,770
<b>Eversendai Engineering FZE, Sharjah</b>							
13	Plot no. 1F-18, 1G-15, 31 and 32, 2C-02 and 13, 2D-03, 04, 14, 15 and 18, 2E-01, 02, 04, 05, 06, 07, 09 and 10, 2J-7A, 2M 13A, 13B, 14 and 15, 3E-03 and IZ-8- 19 and 27-38	Workshop (U- shaped Industrial sheds) with Office buildings, paint shop, canteen buildings, open yard storage/steel fabrication, painting storage of temporary support steel structure and scaffolding lifting tools and tackles, and industrial	1,957,578/ 2,874,922	Leasehold 5 to 15 years expiring between 4 July 2030 and 6 September 2042	< 16 years	2005	23,250 & 61,931
<b>Eversendai Offshore RMC FZE, Ras Al Khaimah</b>							
14	Plot#12,13,14,15,16, 17, part of Plot#8 and Plot#39A, Hulayla, RAK Maritime City, Ras-Al-Khaimah UAE, 65159	1 block of 3- storey office building/ a 3-bays Shop Fabrication Factory	586,574/ 2,000,010	Leasehold 25 years Expiring 31 May 2038	< 4 years	2017	21,724 & 88,658

**Notes:**

^ Comprised of 3 pieces of freehold industrial land with total net book value of RM6,971,976 owned by the Company, and a 2-storey office building and a 1-storey factory building with total net book value of RM20,237,107 owned by Eversendai Engineering Sdn Bhd.

**ANALYSIS OF SHAREHOLDINGS SUMMARY**

As At 24 May 2021

Total number of Issued Shares	781,100,000* Ordinary Shares
Class of Shares	Ordinary Shares
Voting Rights	1 Vote per Ordinary Share

\* Includes 101,000 ordinary shares held in treasury

**DISTRIBUTION OF SHAREHOLDINGS AS PER THE RECORD OF DEPOSITORS**

Size of Shareholdings	Number of shareholders	%	Number of shares held	%
Less than 100	26	0.49	455	0.00
100 to 1,000	569	10.82	409,100	0.05
1,001 to 10,000	2,526	48.05	15,186,445	1.94
10,001 to 100,000	1,844	35.08	63,234,040	8.10
100,001 to less than 5% of the issued shares	290	5.52	106,520,000	13.64
5% and above of the issued shares	2	0.04	595,648,960	76.27
Total*	5,257	100.00	780,999,000	100.00

\* Excluding 101,000 ordinary shares held in treasury

**SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS**

No		Number of shares held	%*
1	Vahana Holdings Sdn Bhd <i>Shares held in the name of:</i>	555,363,360	71.11
	a) UOBM Nominees (Tempatan) Sdn. Bhd.	184,616,000	
	b) Kenanga Capital Sdn. Bhd.	78,670,000	
	c) MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd.	287,500,000	
	d) Own Account	4,577,360	
2	Urusharta Jamaah Sdn Bhd	40,285,600	5.16

\* Excluding 101,000 ordinary shares held in treasury

**DIRECTORS' DIRECT AND INDIRECT INTERESTS IN SHARES IN THE COMPANY AND IN THE SUBSIDIARY AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS**

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares Held	%*	No. of Shares Held	%*
Tan Sri Dato' Nathan A/L Elumalay**	0	0.00	555,363,360	71.11
Narla Srinivasa Rao	500,000	0.06	0	0.00

\* Excluding 101,000 ordinary shares held in treasury

\*\* Tan Sri Dato' Nathan A/L Elumalay, by virtue of his interest in shares in the holding company of the Company, Vahana Holdings Sdn. Bhd. is also deemed interested in shares of all the Company's subsidiaries to the extent of the Company has interest.

**ANALYSIS OF SHAREHOLDINGS SUMMARY (Cont'd)**

As At 24 May 2021

**THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS PER THE RECORD OF DEPOSITORS  
(without aggregate the securities from different securities accounts to the same Depositors)**

	Name	No. of Shares Held	%*
1	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR VAHANA HOLDINGS SDN. BHD.	287,500,000	36.81
2	UOBM NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR VAHANA HOLDINGS SDN. BHD.	184,616,000	23.64
3	KENANGA CAPITAL SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR VAHANA HOLDINGS SDN. BHD.	78,670,000	10.07
4	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. URUSHARTA JAMAAH SDN. BHD.	40,285,600	5.16
5	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR VM TEAM ENGINEERING SDN. BHD.	5,501,200	0.70
6	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR VELOO A/L KARUPAYAH	5,500,000	0.70
7	VAHANA HOLDINGS SDN. BHD.	4,577,360	0.59
8	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR GOH CHING MUN	4,500,000	0.58
9	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MASNAWI BIN ATON	3,000,000	0.38
10	HLIB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ER SOON PUAY	2,869,000	0.37
11	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. FOR BALACHANDRAN A/L GOVINDASAMY	2,265,300	0.29
12	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHANG TIANG POW	1,500,000	0.19
13	ALLIANCE GROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LAU HOCK LEE	1,499,000	0.19
14	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SIOW CHUN PAU	1,394,100	0.18
15	LOOI KUM PAK @ LOOI KAM PHAK	1,300,000	0.17
16	LIM OOI WAH	1,080,000	0.14
17	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEH POO SENG	1,000,000	0.13
18	HSBC NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR BANK JULIUS BAER & CO LTD (SINGAPORE BCH)	1,000,000	0.13
19	K.R SOMASUNDRAM	1,000,000	0.13
20	LOW CHU MOOI	1,000,000	0.13
21	P. MAGENDRAN A/L PERUMAL	1,000,000	0.13
22	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SIOW CHUN PAU	1,000,000	0.13

**ANALYSIS OF SHAREHOLDINGS SUMMARY (Cont'd)**

As At 24 May 2021

**THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS PER THE RECORD OF DEPOSITORS  
(without aggregate the securities from different securities accounts to the same Depositors)  
(Cont'd)**

	<b>Name</b>	<b>No. of Shares Held</b>	<b>%*</b>
23	TAN BOON SENG @ KRISHNAN	1,000,000	0.13
24	TEE YOKE SENG	1,000,000	0.13
25	CHAN SIEW KUEN	994,100	0.13
26	KHOR KENG SAW @ KHAW AH SOAY	960,000	0.12
27	LAW KOK WAH	951,400	0.12
28	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KAUSALYA A/P GOPAL	945,200	0.12
29	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN MUI LING	908,400	0.12
30	ALLIANCE GROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES FOR TA KIN YAN	900,000	0.12
		<b>639,716,660</b>	<b>81.93</b>

\* Excluding 101,000 ordinary shares held in treasury

**ANALYSIS OF WARRANT HOLDINGS SUMMARY**

As At 24 May 2021

Total number of Warrant Issued	390,499,496*
Issued date	19 October 2020
Expiry date	18 October 2025

**DISTRIBUTION OF WARRANT HOLDERS AS PER THE RECORD OF DEPOSITORS**

Size of Warrant Holdings	Number of Warrant Holders	%	Number of Warrant	%
Less than 100	209	4.96	9,288	0.00
100 to 1,000	778	18.46	511,258	0.13
1,001 to 10,000	2,051	48.66	9,570,560	2.45
10,001 to 100,000	977	23.18	34,319,810	8.79
100,001 to less than 5% of the issued warrants	199	4.72	68,406,900	17.52
5% and above of the issued warrants	1	0.02	277,681,680	71.11
Total	4,215	100.00	390,499,496	100.00

**DIRECTORS' DIRECT AND INDIRECT INTERESTS IN WARRANTS IN THE COMPANY AND IN THE SUBSIDIARY AS PER THE REGISTER OF DIRECTORS' WARRANT HOLDINGS**

Name of Directors	Direct Interest		Indirect Interest	
	No. of Warrant	%	No. of Warrant	%
Tan Sri Dato' Nathan A/L Elumalay*	0	0.00	277,681,680	71.11
Warrant held in the names of:				
a) UOBM Nominees (Tempatan) Sdn. Bhd.	92,308,000			
b) Kenanga Capital Sdn. Bhd.	39,335,000			
c) MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd.	143,750,000			
d) Own Account	2,288,680			
Narla Srinivasa Rao	250,000	0.06	0	0.00

\* Deemed interest in Vahana Holdings Sdn. Bhd.



**ANALYSIS OF WARRANT HOLDINGS SUMMARY (Cont'd)**

As At 24 May 2021

**THIRTY LARGEST WARRANT HOLDERS AS PER THE RECORD OF DEPOSITORS**

Name	No. of Warrant	%
1 MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR VAHANA HOLDINGS SDN. BHD.	143,750,000	36.81
2 UOBM NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR VAHANA HOLDINGS SDN. BHD.	92,308,000	23.64
3 KENANGA CAPITAL SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR VAHANA HOLDINGS SDN. BHD.	39,335,000	10.07
4 MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOO CHEE THAK	2,866,700	0.73
5 MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEN BOOK LEARN	2,607,100	0.67
6 MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KUM KUOK CHUNG	2,500,000	0.64
7 VAHANA HOLDINGS SDN. BHD.	2,288,680	0.59
8 DING NYOK CHOO	2,100,000	0.54
9 TAN BOON TONG	1,946,300	0.50
10 HLIB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ER SOON PUAY	1,434,500	0.37
11 EU AH MOI	1,300,000	0.33
12 ELIZABERT CHAI FUI LING	1,000,000	0.26
13 KENANGA NOMINEES (TEMPATAN) SDN. BHD RAKUTEN TRADE SDN. BHD. FOR MAR THIEN HO	1,000,000	0.26
14 KENANGA NOMINEES (TEMPATAN) SDN. BHD. FOR CHIA LAI JOO	999,800	0.26
15 NGOI LEONG EE	900,000	0.23
16 KOO CHEE THAK	815,000	0.21
17 LIM CHENG TEN	800,000	0.20
18 CHAN SIEW KUEN	797,050	0.20
19 KENG LI YEE	700,000	0.18
20 LU ZEN CHAI	700,000	0.18
21 WONG WENG ONN	700,000	0.18
22 KENANGA NOMINEES (TEMPATAN) SDN. BHD RAKUTEN TRADE SDN. BHD. FOR YEE GUAT PENG	698,300	0.18
23 LOOI KUM PAK @ LOOI KAM PHAK	650,000	0.17
24 MAYBANK NOMINEES (TEMPATAN) SDN. BHD. FOR SUKHBIR SINGH A/L TARA SINGH	618,500	0.16
25 KOAY KAI SIEW	610,000	0.16
26 CHUA ENG KUI	600,000	0.15
27 LIM KYAT CHUAN	600,000	0.15
28 HONG SOO CHEENG	557,500	0.14
29 RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MOHD MANSOR BIN ISMAIL	557,450	0.14
30 LIM OOI WAH	540,000	0.14
	<b>306,279,880</b>	<b>78.44</b>

## NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth Annual General Meeting of Eversendai Corporation Berhad (the "Company") will be conducted fully virtual through live streaming from the Broadcast Venue at Lot 9-11 Menara Sentral Vista, No. 150, Jalan Sultan Abdul Samad, Brickfields, 50470 Kuala Lumpur on Tuesday, 29 June 2021 at 2.00 p.m. to transact the following businesses:

### AS ORDINARY BUSINESS

- |   |   |                     |
|---|---|---------------------|
| 1 | To receive the Audited Financial Statements of the Company for the year ended 31 December 2020 and the Reports of the Directors and Auditors thereon.   | <b>Note 11</b>      |
| 2 | To approve payment of Directors' fees.  | <b>Resolution 1</b> |
| 3 | To approve the payment of Directors' benefits to the Non-Executive Directors up to an amount of RM50,000 for the period from 29 June 2021 until the next Annual General Meeting of the Company. | <b>Resolution 2</b> |
| 4 | To re-elect the following Directors who retire by rotation in accordance with Article 98 of the Company's Constitution and being eligible, offers themselves for re-election:                   |                     |
|   | Datuk Iskandar Bin Sarudin  | <b>Resolution 3</b> |
|   | Mr. Narla Srinivasa Rao   | <b>Resolution 4</b> |
| 5 | To re-appoint Baker Tilly Monteiro Heng PLT as the Company's Auditors and to authorize the Directors to fix their remuneration.   | <b>Resolution 5</b> |

### AS SPECIAL BUSINESS

- |   |  |                     |
|---|--|---------------------|
| 6 | <b>Proposed Continuance in Office of Mohammad Nizar Bin Idris as Independent Non-Executive Director</b>  | <b>Resolution 6</b> |
|   | "THAT, approval be and is hereby given to Mohammad Nizar Bin Idris who has reached a cumulative term of nine (9) years as an Independent Non-Executive Director of the Company, to continue in office until the conclusion of the next Annual General Meeting ("AGM") of the Company in accordance with the Malaysian Code of Corporate Governance."   |                     |
| 7 | <b>Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016</b>  | <b>Resolution 7</b> |
|   | "THAT, subject always to the Constitution of the Company and the approvals of the relevant Regulatory Authorities, pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors of the Company be and are hereby authorized to issue and allot shares in the Company at any time and upon such terms and conditions and for such purposes and to such person(s) as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued and allotted pursuant to this resolution does not exceed 20% of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued from Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless such approval is revoked or varied by the Company at a general meeting." |                     |

**NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING (Cont'd)****8 Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature****Resolution 8**

"THAT, subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to Eversendai Corporation Berhad ("ECB") and its subsidiaries ("ECB Group") to enter into recurrent related party transactions of a revenue or trading nature with the related parties as set out in Part A, Section 2.4 of the Circular to Shareholders dated 31 May 2021, provided such transactions are necessary for the day-to-day operations of ECB Group and are carried out in the ordinary course of business of ECB Group, made on an arm's length and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT such approval shall continue to be in force until:

- a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time the said authority shall lapse, unless renewed by a resolution passed at the AGM; or
- b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to section 340(2) of the Companies Act 2016 (but must not extend to such extensions as may be allowed pursuant to section 340(4) of the Companies Act 2016); or
- c) revoked or varied by a resolution passed by the shareholders in a general meeting of the Company;

whichever is the earlier;

AND FURTHER THAT authority be and is hereby given to the Directors of ECB Group to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give full effect to the transactions contemplated and/or authorized by this resolution."

**9 Proposed Authority to the Company to Purchase its Own Shares****Resolution 9**

"THAT subject to the Companies Act 2016, the Company's Constitution, the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad and all other prevailing laws, rules, regulations and orders issued and/or amended from time to time by the relevant authorities, the Company be and is hereby authorized to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time on the market of the Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit in the interest of the Company PROVIDED THAT:

- (a) the aggregate number of ordinary shares in the Company (the "Company's Shares") which may be purchased and/or held by the Company shall not exceed ten percent (10%) of the total issued and paid-up share capital of the Company at any point of time;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing the Company's Shares shall not exceed the Company's audited retained profits at any point of time;

## NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING (Cont'd)

- (c) the authority conferred by this resolution of the Company shall commence immediately upon passing of this resolution until:
- (i) the conclusion of the next Annual General Meeting of the Company following this Annual General Meeting at which such mandate is passed at which time it will lapse, unless by a resolution passed at such general meeting whereby the authority is renewed; or
  - (ii) the expiration of the period within which the next Annual General Meeting of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
  - (iii) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier;

AND FURTHER THAT authority be and is hereby given to the Directors of ECB Group to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give full effect to the transactions contemplated and/or authorized by this resolution."

- 10 To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

**CHEOK KIM CHEE**

MACS 00139

SSM PC No. 201908001023

Company Secretary

Rawang

31 May 2021

### Notes to the Notice of Eighteenth Annual General Meeting:

1. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia which require the Chairman of the meeting to be present at the main venue of meeting.
2. Members/proxies/corporate representatives **WILL NOT BE ALLOWED** to attend the Eighteenth AGM in person at the Broadcast Venue on the day of the meeting.
3. Members are to attend and speak (including posing questions to the Board via real time submission of typed text(s) and vote (collectively, "participate") remotely at the Eighteenth AGM via the Remote Participation and Voting Facilities ("RPV") provided by Dvote Services Sdn. Bhd. via its Online website at <https://Dvote.my>. Please follow the procedures for RPV provided in the Administrative Details for the Eighteenth AGM.

## NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING (Cont'd)

### Notes to the Notice of Eighteenth Annual General Meeting: (Cont'd)

4. The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be deposited not less than forty-eight (48) hours before the time stipulated for holding the meeting at which the person named in the appointment proposes to vote:

- (i) In hardcopy form

In the case of an appointment made in hard copy form, the proxy form must be deposited at DVOTE SERVICES SDN. BHD., Lot 9-7, Menara Sentral Vista, No. 150, Jalan Sultan Abdul Samad, Brickfields, 50470 Kuala Lumpur.

- (ii) By electronic means

The proxy form shall be electronically lodged by email to [dvoteservice@gmail.com](mailto:dvoteservice@gmail.com)

5. A member of the Company entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote instead of him. A proxy may but need not be a member of the Company. There shall be no restriction as the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
6. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, under the corporation's common seal or under the hand of an officer or attorney duly authorized.
7. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy. Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
8. A member who has appointed a proxy or attorney or corporate representative to attend and vote at this AGM must request his/her proxy or attorney or corporate representative to register himself/herself for RPV at Dvote Online website at <https://Dvote.my> Please follow procedures for RPV in the administrative details of this AGM.
9. Last date and time for lodging proxy form is 27 June 2021 at 2.00 p.m.
10. Voting at the forthcoming Annual General Meeting (AGM) of the Company will be conducted by poll. Poll Administrator and Independent Scrutineer will be appointed respectively to conduct polling-voting process and to verify the results of the poll.

11. Item 1 of the Agenda

This Agenda item is to table the Audited Financial Statements of the Company pursuant to the provision of Section 340(1)(a) of the Companies Act 2016 for discussion only. The Audited Financial Statements do not require a formal approval and/or adoption by the shareholders of the Company and hence, is not put forward for voting.

12. Ordinary Resolution 1 - To approve payment of Directors' fees

Proposed Ordinary Resolution 1 is to approve the Directors' fees for the period from this AGM to the next AGM of the Company, to be payable on a quarterly basis. Section 230(1) of the Companies Act 2016 provides that the fees payable to the directors of a public company; or of a listed company and its subsidiaries shall be approved at a general meeting.

## **NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING (Cont'd)**

### **Notes to the Notice of Eighteenth Annual General Meeting: (Cont'd)**

13. Ordinary Resolution 2 - To approve payment of Directors' benefits

The total estimated amount of Directors' benefits payable is calculated based on the number of scheduled Board and Board Committee Meetings from the last AGM until the next AGM.

14. Ordinary Resolution 3 and 4 - To re-elect the Directors

Article 98 of the Company's Constitution provides that at every annual general meeting one-third of the directors shall retire by rotation. A director who retires from office shall be eligible for re-election. The Nominating Committee of the Company has assessed the performance and contribution of Datuk Iskandar Bin Sarudin and Mr. Narla Srinivasa Rao and recommended for their re-election. The Board has endorsed the Nominating Committee's recommendation.

### **Explanatory notes on Special Business:**

15. Ordinary Resolution 6 – Re-election of Mohammad Nizar Bin Idris as Independent Non-Executive Director

The Board of Directors had via the Nominating Committee conducted an annual performance evaluation and assessment of Mohammad Nizar Bin Idris who has reached a cumulative term of nine (9) years as Independent Non-Executive Director and recommended him to continue to act as Independent Non-Executive Director of the Company based on the following justifications:

- (a) He fulfilled the criteria under the definition of Independent Directors as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- (b) His experience enables him to provide the Board with a diverse set of experience, expertise, skills and competence. His good understanding of the industry and Company's business operations enable him to participate actively and contribute effectively during deliberations and discussions at the Audit Committee, Risk Management Committee, Nominating Committee and Board Meetings without compromising his independence and objective judgement.
- (c) He demonstrated high commitment and devoted sufficient time to his responsibilities as Independent Non-Executive Director of the Company.

16. Ordinary Resolution 7 - Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The existing general mandate for the authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016 was approved by the shareholders of the Company at the last AGM.

The Mandate granted by the shareholders at the last AGM had not been utilized and hence no proceed was raised therefrom.

The proposed Ordinary Resolution 7 is a renewal of the general mandate for the authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016. The proposed Ordinary Resolution 7, if passed, will empower the Directors to issue and allot shares up to an amount not exceeding twenty percent (20%) of the Company's total issued share capital for the time being upon such terms and conditions and for such purposes and to such person(s) as the Directors of the Company in their absolute discretion consider to be in the interest of the Company, without having to convene a general meeting. This authority will expire at the next AGM of the Company or at the expiration of the period within which the next AGM is required by law to be held or revoked or varied by the Company at a general meeting, whichever is earlier.

If there should be a decision to issue new shares after the general mandate is approved by the shareholders at the forthcoming Eighteenth AGM, the Company will make an announcement in respect of the purpose and utilization of proceeds arising from such issue.



## NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING (Cont'd)

### Explanatory notes on Special Business: (Cont'd)

In case of any strategic opportunities involving equity deals, which may require the Company to allot and issue new shares speedily, the Company may capitalize on its advantageous position if the Board considers it to be in the best interest of the Company. Any delay arising from and the cost involved in convening a general meeting to approve such issuance of shares would be eliminated.

#### 17. Ordinary Resolution 8 - Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party of a Revenue or Trading Nature

Please refer to Part A of the Circular to Shareholders dated 31 May 2021.

#### 18. Ordinary Resolution 9 - Proposed Authority to the Company to Purchase its Own Shares

Please refer to Part B of the Circular to Shareholders dated 31 May 2021.

### Members Entitled to Attend Eighteenth Annual General Meeting

For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as at 22 June 2021. Only a member whose name appears on the Record of Depositors as at 22 June 2021 shall be entitled to attend this meeting or appoint a proxy to attend and vote on his/her behalf.

### Annual Report 2020

The Notice of the Company's Eighteenth Annual General Meeting and Annual Report is available on the Company's website at [www.eversendai.com](http://www.eversendai.com).

### Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the forthcoming Eighteenth Annual General Meeting (AGM) and/or any adjournment thereof, a member of the Company:

1. consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
2. Warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents) the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
3. Agrees that the member will indemnify the Company and its officers in respect of any penalties, claims, demands, losses and damages as a result of the member's breach of warranty.



**STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING**

(Pursuant to Paragraph 8.27(2) and information as set out in Appendix 8A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

There is no individual seeking for election as a Director at the forthcoming Eighteenth Annual General Meeting of the Company.

(Statement relating to general mandate for issue of shares in accordance to Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

The Mandate granted by the shareholders at the last AGM had not been utilized and hence no proceed was raised therefrom.

**PROXY FORM**

Eighteenth Annual General Meeting

(Before completing the form, please refer to the notes overleaf)

Number of ordinary share(s) held	CDS Account No.																

\*I/We \_\_\_\_\_  
(Full Name in Block Letters)

\*NRIC/Passport/Company No. \_\_\_\_\_ of \_\_\_\_\_  
(Full Address)

\_\_\_\_\_ (Full Address)

being a \*member/members of EVERSENDAI CORPORATION BERHAD, (the "Company") hereby appoint:

\_\_\_\_\_ \*NRIC/Passport No. \_\_\_\_\_  
(Full Name in Block Letters)

of \_\_\_\_\_  
(Full Address)

and/or failing \*him/her \_\_\_\_\_ \*NRIC/Passport No. \_\_\_\_\_  
(Full Name in Block Letters)

of \_\_\_\_\_  
(Full Address)

or failing \*him/her the Chairman of the Meeting as \*my/our proxy to vote for \*me/us on \*my/our behalf at the **Eighteenth Annual General Meeting** of the Company, to be held on **Tuesday, 29 June 2021 at 2.00 p.m.** and at any adjournment thereof.

Please indicate your vote with an "X" in the respective box of each resolution. If no specific direction as to voting is given, the proxy will vote or abstain from voting on the resolutions at his/her discretion.

No	Resolution	For	Against
1	To approve payment of Directors' fees.	1	
2	To approve payment of Directors' benefits.	2	
3	To re-elect Datuk Iskandar Bin Sarudin as Director.	3	
4	To re-elect Mr. Narla Srinivasa Rao as Director.	4	
5	To re-appoint Baker Tilly Monteiro Heng PLT as auditors.	5	
6	To re-appoint Mohammad Nizar Bin Idris as Independent Non-Executive Director	6	
7	Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016	7	
8	Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature	8	
9	Proposed Authority to the Company to Purchase its Own Shares	9	

\* Strike out whichever is not applicable

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2021

\_\_\_\_\_  
Signature(s) of Shareholder(s) or Common Seal

## NOTES

1. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia which require the Chairman of the meeting to be present at the main venue of meeting.
2. Members/proxies/corporate representatives WILL NOT BE ALLOWED to attend the Eighteenth AGM in person at the Broadcast Venue on the day of the meeting.
3. Members are to attend and speak (including posing questions to the Board via real time submission of typed text(s) and vote (collectively, "participate") remotely at the Eighteenth AGM via the Remote Participation and Voting Facilities ("RPV") provided by Dvote Services Sdn. Bhd. via its Online website at <https://Dvote.my>. Please follow the procedures for RPV provided in the Administrative Details for the Eighteenth AGM.
4. The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be deposited not less than forty-eight (48) hours before the time stipulated for holding the meeting at which the person named in the appointment proposes to vote:
  - (i) In hardcopy form  
In the case of an appointment made in hard copy form, the proxy form must be deposited at DVOTE SERVICES SDN. BHD. Lot 9-7, Menara Sentral Vista, No. 150, Jalan Sultan Abdul Samad, Brickfields, 50470 Kuala Lumpur.
  - (ii) By electronic means  
The proxy form shall be electronically lodged by email to [dvoteservice@gmail.com](mailto:dvoteservice@gmail.com)
5. A member of the Company entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote instead of him. A proxy may but need not be a member of the Company. There shall be no restriction as the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
6. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, under the corporation's common seal or under the hand of an officer or attorney duly authorized.
7. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy. Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
8. A member who has appointed a proxy or attorney or corporate representative to attend and vote at this AGM must request his/her proxy or attorney or corporate representative to register himself/herself for RPV at Dvote Online website at <https://Dvote.my>. Please follow procedures for RPV in the administrative details of this AGM.
9. Last date and time for lodging proxy form is 27 June 2021 at 2.00 p.m.
10. Voting at the forthcoming Annual General Meeting (AGM) of the Company will be conducted by poll. Poll Administrator and Independent Scrutineer will be appointed respectively to conduct polling-voting process and to verify the results of the poll.

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Affix  
Stamp

**Eversendai Corporation Berhad**  
c/o DVOTE SERVICES SDN. BHD.  
Lot 9-7, Menara Sentral Vista  
No. 150, Jalan Sultan Abdul Samad  
Brickfields, 50470 Kuala Lumpur

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