

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board or BOD”) of Evergreen Fibreboard Berhad (“EFB”) takes this opportunity to provide an insight into the Group’s Corporate Governance (“CG”) practices during the financial year ended 31 December 2024 (“FY2024”).

This Corporate Governance Overview Statement (“Statement”) sets out the principles and features of EFB’s corporate governance framework and the main areas of focus and priorities. The Board hereby presents the Group’s CG Overview Statement below: -

ON BOARD LEADERSHIP AND EFFECTIVENESS

Practice 1.1

The Board recognises the key roles it plays in setting the strategic direction of the Group. In achieving this, the following activities amongst others were carried out during the current financial year: -

- a) reviewed the Group’s Businesses performance through regular updates (other than Board meetings) directly by Management on the financial and non-financial performance of individual company/ business units and thereon advised management on the course of action accordingly;
- b) reviewed the ethical standards in the Code of Conduct on appropriate behaviors and obtain Management’s assurance for any non-adherence, reviewed framework on Risk and Sustainability Management including Policies on Whistle Blowing, Anti Bribery and Stakeholders’ Communication for changes to be made in view of the current business environment and changes in the Corporate Governance and Listing Requirements; and
- c) together with Management, set the Group’s strategies and policies that oversees risk, sustainability and corporate governance including monitoring the progress towards the Group meeting its set objectives and annual budget plans.

Practice 1.2

Mr. Jonathan Law Ngee Song is our Non-Independent Non-Executive Chairman and his main role and responsibilities are strictly on matters of the Board. He provides the Board with the needed directions and strategic insights. He is able to foster good corporate governance practices by ensuring the Company adopts the policies and practices in line with Malaysian Code on Corporate Governance (“MCCG”). Together with the guidance from Company’s Secretaries and Management, the Chairman through the Board reviews the Corporate Governance Report and Corporate Governance Overview Statement to ensure the compliance level of Corporate Governance practices.

Practice 1.3

The position of our Chairman and the Chief Executive Officer are held by two different individuals, i.e., Mr. Jonathan Law Ngee Song and Mr. Kuo Jen Chang.

Practice 1.4

Our Chairman of the Board is not a member of any Board Committees except being the Chairman of our Sustainability Management Committee.

Practice 1.5

The Board of Evergreen is supported by 2 (two) qualified and competent Company Secretaries namely Ms. Tan Yit Chan (MAICSA 7009143) and Ms. Santhi A/P Saminathan (MAICSA NO. 7069709). They are capable of providing the required advice for a sound corporate governance, adherence to rules and procedures by the Company including advise the Chairman of the Board on the adoption of corporate governance best practices.

Practice 1.6

All Directors receive meeting materials containing minutes of previous meeting, agenda of the coming meeting together with all relevant papers for the agenda in advance of 6 (six) days prior to actual meeting date.

Upon conclusion of each meeting, Minutes of Meeting are prepared and circulated via electronic mail to all members for their review and comments. The amended draft minutes are re-circulated via electronic mail for final confirmation in readiness for signing at the next scheduled meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

ON BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Practice 2.1

EFB's Board Charter is reviewed periodically and is made available on the Company's website at www.evergreengroup.com.my. The Board Charter was reviewed and adopted on 24 February 2025. The Board Charter clearly specifies the respective roles and responsibilities of Board and Committee Members including issues and decisions that are strictly reserved for the Board's discussion and approval.

Practice 3.1

The Board established and reviewed EFB's Code of Conduct and Business Ethics ("the Code") and together with Management implemented policies and procedures to manage conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct is made available on the Company's website at www.evergreengroup.com.my.

Practice 3.2

The Board is committed in promoting a healthy corporate culture that engenders integrity, transparency and fairness in all its dealings. Together with Management, Board of Directors establish, review and implement policies and procedures on Whistleblowing. The Company have adopted Whistleblowing Policy and it is published and available at the Company's website at www.evergreengroup.com.my.

Practice 4.1

The Board together with Management takes responsibilities for the governance of sustainability in the company including setting and reviewing the Company's sustainability strategies and targets together with Management through the development and implementation of sustainability strategies, business plans, action plans including risk management on material matters.

Strategic Management of material sustainability matters are driven by Senior Management who is the Head of Operations and his/her Sustainability Management Working Group which consist of Head of Departments.

Practice 4.2

The Board through the Sustainability Management Committee and together with Management sets the Company's sustainability strategies and targets and reviewed the performance against the targets set for the year. The targets and performance are stated in our Sustainability Statement. The Company have published its Sustainability Statement and its available on Company's website at www.evergreengroup.com.my.

Practice 4.3

The Board keeps themselves abreast and understands the sustainability issues relevant to the Company and its business which includes climate-related risk and opportunities through seminars and trainings.

Trainings attended by Directors during the FYE2024 is as follows: -

Director	Trainings/Fairs Attended
JONATHAN LAW NGEE SONG	Mandatory Accreditation Programme Part II: Leading for Impact (LIP); Directors' Duties & ESG - The Latest Case Law & Developments - Learn Live; Duties & ESG - The Latest Case Law & Developments; and AON - Climate and Nature Training Session.
KUO JEN CHANG	Prevention & Elimination of Forced Labour & Workplace Harassment; and Mandatory Accreditation Programme Part II: Leading for Impact (LIP).
KUO JEN CHIU	Prevention & Elimination of Forced Labour & Workplace Harassment; and Mandatory Accreditation Programme Part II: Leading for Impact (LIP).
KUAN KAI SENG	Mandatory Accreditation Programme Part II: Leading for Impact (LIP); and Prevention & Elimination of Forced Labour & Workplace Harassment.
MARY HENERIETTA LIM KIM NEO	Prevention & Elimination of Forced Labour & Workplace Harassment; Mandatory Accreditation Programme Part II: Leading for Impact (LIP); Sustainable Success - Innovating Corporate Strategy & Operations; Impact of EU's Carbon Border Adjustment Mechanism (CBAM) on Malaysian Businesses; and MEF Tax Seminar 2024: Strengthen National Economy, Accelerate Business Sector.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

ON BOARD LEADERSHIP & EFFECTIVENESS (Cont'd)

Director	Trainings/Fairs Attended
TAN MUI PING	Mandatory Accreditation Programme Part II: Leading for Impact (LIP); Anti Corruption -MACC Act Sec 17A; Are You Measuring Your Sustainability Performance Right: Targets & Metrics?; Conflict of Interest (“COI”) and Governance of COI; Enterprise Risk Management; ACCA Technical Symposium 2024; Dialogue & Networking Session Board’s Role in Whistleblowing Oversight; and Boardroom Insights 2025: Navigating Governance, Risk and Strategic Foresight.
HONG KIM HEONG	Mandatory Accreditation Programme Part II: Leading for Impact (LIP); MAICSA Annual Conference; and MBRS 2.0 -Annual Return.

Practice 4.4

In addressing EFB’s Material Sustainability Risk and Opportunities, Annual Evaluation on Performance of the Board and Senior Management has included elements of sustainability matters and this includes the KRAs/KPIs of Senior Management and Executive Directors.

Practice 4.5 – Step Up

The Board has identified and designated a person within Management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Group.

Practice 5.1

Composition of the Board is reviewed by the Nominating Committee periodically where additional Independent Director has been recruited during the FY2024. The tenure of Independent Director has been limited and re-election of Directors are only recommended by the Nominating Committee upon satisfactory outcome of their annual performance evaluation and fit and proper criteria assessment.

Practice 5.2

EFB’s Board consist of 8 (eight) Members whereby 4 (four) are Independent and 4 (four) are non-independent.

Practice 5.3

The Company have set the tenure of our Independent Director to not exceed a cumulative term limit of nine years and it is stated in the Board Charter.

Upon completion of the nine years and up to 12 years, if the board intends to retain an independent director beyond nine years, justification to be provided and seek annual shareholders’ approval through a two-tier voting process.

If Independent Director is retain beyond 12 years, he/she shall be re-designated as Non-Independent Director from the 13th year onwards.

Practice 5.4 – Step Up

The Board does not have a policy which limits the tenure of its independent directors to nine years without further extension.

Practice 5.5

The Nominating Committee plays a pivotal role in the process of the Board’s appointment, developing and deliberating on selection criteria based on the competencies and attributes required for effective Board membership. The Nominating Committee conducts screening, initial selection and present the findings on candidates to the Board for consideration. Prior to making recommendations, potential candidates shortlisted by Nominating Committee undergo comprehensive background checks, including assessment of financial and character integrity and fit and proper criteria assessment. The Directors demonstrate commitment by attending meetings and effectively discharging their responsibilities. The Board is satisfied that each Director allocates sufficient time to fulfill their duties, reflecting dedication and diligence.

The Appointment of Senior Management are based on criteria such as required skills, relevant experience, age, background, culture and gender that have been set to ensure a mixture of skills.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

ON BOARD LEADERSHIP & EFFECTIVENESS (Cont'd)

Practice 5.6

When necessary, the Nominating Committee may leverage independent sources to identify candidates with the appropriate qualifications for potential appointments. The independent sources include seeking recommendation of potential candidates from Lead Women Directors Registry for potential female candidates and the Institute of Corporate Directors Malaysia (ICDM).

During the year under review, there was one new Independent Director appointed to the Board which was sourced from ICDM.

Practice 5.7

Through the Board Annual Assessment 2024, the Nominating Committee had assessed the Directors' eligibility for re-election and appointment by considering their competencies, commitment, contribution, and their ability to act in the best interest of the Company.

The Board at its meeting held on 24 February 2025 endorsed the recommendation of the Nominating Committee for the following Directors to be considered for re-election pursuant to Clause 109 and 116 of the Company's Constitution at its forthcoming AGM:

- (i) Mr. Kuo Jen Chang
- (ii) Ms. Mary Henerietta Lim Kim Neo
- (iii) Encik Shameer Bin Othman

The details of the above mentioned Directors are disclosed in the Directors' Profile in the Annual Report.

Practice 5.8

EFB's Nominating Committee is Chaired by our Independent Director, Ms. Hong Kim Heong. The profile of Ms Hong Kim Heong is available on page 17 of the Annual Report 2024.

Practice 5.9

As of the report date, the Board composition consist of eight (8) members whereby three are female Directors which constitutes 37.5%.

Practice 5.10

The Group's Policy on Diversity: -

- a) For gender diversity, the Board shall strive to achieve female composition of 30% on the overall Board and Senior Management's composition;
- b) To ensure independence of Independent Directors on Board, any Independent Director remaining on Board beyond the 12th year shall be re-designated as a non-independent director;
- c) To have an active and dynamic board, the minimum and maximum age for a Director to be appointed shall be considered; and
- d) To ensure a mix of skills in Board Members, the sourcing and recruitment of directors shall be source from a diverse pool of candidates and not just recommendation by other directors or shareholders.

As of the report date, the Board composition consists of three female Directors representing 37.5% of the total Board composition.

Practice 6.1

Our Nominating Committee carries out annual performance evaluation in the following manner: -

1. Early December 2024, Nominating Committee carried out Annual Assessment to review and evaluate the effectiveness of the Board as a whole, the Committees, performance of Individual Directors (including Independent Directors), Key Officers and the Company Secretary. Elements of annual evaluation were on skills, experience, diversity, core competencies and risk and sustainability management.
2. The evaluation process was carried out through forms established by Nominating Committee based on the recommendation in the corporate governance guide. Forms were sent to all Members on the instructions of the Nominating Committee Chairman who led the annual assessment process.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

ON BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Practice 6.1 (cont'd)

3. Annual Evaluation Forms were sent via email to all concern to carry out their review on Individual Directors, Key Officer, Company Secretary, the Chairman of the Board, the Board as a whole and Board Committee(s). A timeframe was also given for review to be completed and email back to the Company Secretary for tabulation of scores.
4. The results of the evaluation were then emailed informed to the Nominating Committee Chairman and further discussed with the Board Chairman where it was tabled at the 4Q2024 Nominating Committee meeting held in February 2025.
5. The Chairman of the Nominating Committee reported to the Board the necessary matters and findings on the evaluation at the subsequent Board meeting.
6. Upon receiving the report, the Board will comment should there be any improvements or adjustment needed by the Board, Board Committee or members.

Practice 7.1

1. EFB maintains a Remuneration policy on fees and allowances structure for Non-Executive Directors ("NED") which was reviewed and approved by the Board. The framework on fees structure and allowances takes into consideration the responsibilities of each individual director their roles and their contribution to the Board as well as the Board Committees they sit in.
2. EFB maintains a formal remuneration framework and salary structure for Executive Directors, Senior Management and Key Officer which was reviewed and approved by the Board. The framework on remuneration and allowances takes into consideration the responsibilities of each individual their roles and their contribution to the Company /Group.
3. The Remuneration Policy for NEDs, Key Officers as well as Senior Management are made available on the Company's website at www.evergreengroup.com.my.

Practice 7.2

The Remuneration Committee's has written Terms of Reference that deals with its authority and duties and these are made available on our Company's website at www.evergreengroup.com.my.

Practice 8.1

The fees, allowances and benefits of RM420,000 was formally approved by shareholders at annual general meeting held on 27 May 2024. The total amount paid to non-executive directors for FYE2024 was RM362,237 and the details to these payments is stated in the Company's Corporate Governance Report 2024.

Practice 8.2

Company noted on the departure from Practice 8.2 of MCCG 2021 as the components of the remuneration of Senior Management, which include their salary, bonus, benefits-in-kind and other emoluments are subject to the Personal Data Protection Act ("PDPA") 2010 and the Company have opt not to disclose the personal data of their Senior Management personnel to the public at large. Currently, the Company does not have an alternative plan to meet the intended outcome.

Nevertheless, detailed remuneration of the Company's CEO, COO and GED have been disclosed in Practice 8.1 in the Company's Corporate Governance Report 2024.

Practice 8.3 - Step Up

The Company has departed from this practice recommended due to sensitivity reasons in the Group as well as to safeguard the confidentiality of information.

Practice 9.1

Our Audit Committee Chairman is Mr. Kuan Kai Seng and he is not the Chairman of our Board.

Practice 9.2

The Audit Committee Terms of Reference have indicated that the Company require a former audit partner of the external audit firm to observe a cooling off period of three years before being appointed as a Director of the Company. The Audit Committee's terms of reference is accessible via the Company's website at www.evergreengroup.com.my.

Additionally, any offer of employment to a former employee of the audit firm in respect of a senior management position must be pre-approved by the Audit Committee.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

ON BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Practice 9.3

Policies and Procedures for evaluating the external auditors are in place and being practiced by the Audit Committee together with the Nominating Committee in terms of accessing the suitability and the independence of external auditors.

Practice 9.4 - Step Up

Our Audit Committee comprises solely of Independent Directors and this is in line with the requirements under Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR"); Paragraph 15.09(1) (a) and (b).

Practice 9.5

Members of the Audit Committee possess a wide range of skills from accounting, finance, audit, law, regulations, corporate practices and similar business experience. All members are financially literate and understands their roles, responsibilities and functions as a Member of the Audit Committee. They continuously keep themselves abreast on all relevant developments and changes in the accounting and audit standards. The list of trainings attended by the Audit Committee Members during the FY2024 is disclosed on page 31 of the Annual Report 2024.

Practice 10.1

The Board affirms its overall responsibility for establishing a sound risk management and internal control system, as well as for reviewing adequacy and effectiveness in identifying, assessing and responding to risk which may hinder the Group from achieving its objectives. The Board establishes Risk Committee to oversee matters relating to risk, compliance and controls. The Risk Committee updates the Board periodically of their work, key deliberations and decisions on delegated matters.

Further information on risk management framework and internal controls are disclosed in the Statement on Risk Management and Internal Control on page 37 of the Annual Report 2024.

Practice 10.2

Features of our Risk Management and Internal Control System: -

1. Our Enterprise Risk Management System is guided by the Principles of ISO 31000 Standards, an objective-centric based approach that ties and links the risk of the Group's Business Strategies and Objectives;
2. Our Risk Appetite and Tolerance Level reviewed and approved by the Board, keeps risk level within the appetite and breaches of each limit level are to be made known to the Board level based on the urgency set;
3. Our reporting structure clearly sets out the reporting line of the Risk Management Functions from the Subsidiary to the Group Level and this ensures a clear understanding of the reporting line for Risk Registers to be escalated;
4. Our set Risk Reporting Timeline prompts personnels responsible for risk, to conduct review and monitor their risk reporting responsibilities; and
5. Our Risk Management Governance is based on a "Three Lines of Defense" at the Subsidiary as well as at the Group level which provides a simple and effective way of enhancing communications on risk management by clarifying essential roles.

Practice 10.3 - Step Up

Our current Risk Management Committee comprised of three (3) Independent Non-Executive Directors and one (1) Senior Management to oversee the risk management framework and policies.

Practice 11.1

The Audit Committee is supported by an external internal audit function provided by BDO Governance Advisory Sdn. Bhd. and they report directly to the Audit Committee who approves their audit plan annually.

Internal Auditors performs Internal Control Reviews on areas suggested by the Audit Committee and the Internal Auditors report the findings of their audit to the Audit Committee. The Internal Auditor takes instructions only from the Audit Committee Chairman.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

ON BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Practice 11.2

The Internal Auditors and their Personnel(s) have confirmed in writing that they are free from any relationships or conflict of interest with the Group's Directors and Senior Management Staffs and therefore there is no impairment to their independence.

BDO's function team is headed by its Executive Director who possess the required relevant qualification and experience and is assisted by 3 (three) other staff including a manager. The Internal Audit Functions carried out by BDO are in accordance with the International Professional Practice Framework ("IPPF") of the Institute of Internal Auditors.

Practice 12.1

1. Policy on communication with our Stakeholders has been established and is put in practice. Our Investor Relation (Mr Martin Leong) reports to the Board on any feedback from Stakeholders during his discussion or meeting with them for the Board's action.
2. As to ensure that information is fairly communicated to all shareholders, the Company maintains its corporate website at www.evergreengroup.com.my containing information on the Group as well as its financial and nonfinancial announcements made to the Stock Exchange. Any presentation slides given or communicated to shareholders in general meetings, investors meeting and road shows are being posted on to our website to be accessed by all stakeholders and the general public at any point in time.

Practice 12.2

This practice is not applicable as we are not a large company.

Practice 13.1

The Notice of Agenda of the forthcoming AGM together with Forms of Proxy are dispatched to the shareholders at least 28 days prior to the AGM, which gives shareholders sufficient time to prepare themselves to attend, speak and vote.

Practice 13.2

As Annual General Meeting is the principal forum for dialogue with our shareholders/stakeholders, therefore our directors demonstrate their accountability by attending the AGM and respond to shareholders' queries by providing sufficient explanation and clarification on issues and concerns raised.

Practice 13.3

Our past Annual General Meeting was carried out virtually with electronic polling process carried out online by Boardroom Share Registrars Sdn. Bhd. For the forthcoming annual general meeting, it will be conducted physically with electronic polling process.

Practice 13.4

During our Annual General Meeting, our Group Chief Financial Officer presents the Company's financial performance and nonfinancial performance including the Company's strategies, Shareholders are allowed to pose their question. We also encourage shareholders to write in their questions earlier should they have any.

Practice 13.5

During our virtual annual general meetings, all question raised by shareholders are firstly flashed out and then read out by our Group Chief Financial Officer and thereon responded accordingly with the answers.

Practice 13.6

Minutes of our annual general meeting was uploaded onto our website within 30 (thirty) business days after the annual general meeting being conducted.

The Board of Directors has approved this statement on 10 April 2025.