

Updated	: 31 January 2022
Company Name	: Ever Flow River Group Public Co., Ltd.
Company Representative	: Daw Yee Mon Oo (Compliance Officer)
Contact	: +95 9 889948890, info@efrgrouppmm.com
URL	: https://www.efrgroupmyanmar.com/
Code	: 00006

I . Fundamental Views on Corporate Governance and Other Key Information

1. Corporate Attributes

Fiscal Year–End	30 th Sep 2020 (FY 2019–2020)
Sector Classification	Logistics
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	389 employees
Revenue, Profit after Tax, Total Assets and Net Assets (consolidated) for the Previous Fiscal Year	MMK 12,832,503,595 (Revenue), MMK (618,476,183) (Profit after tax), MMK 18,327,857,399 (Total Assets), MMK 15,342,225,288 (Net Assets)
Number of Consolidated Subsidiaries and Associated Companies as of the End of the Previous Fiscal Year	7 Subsidiaries, 3 Associates

2. Fundamental Views on Corporate Governance

Our Directors recognize the importance of corporate governance and the maintenance of high standards of accountability to our Shareholders, as well as adopting corporate governance practices which are to the extent reasonably practicable consistent with prevailing international principles, taking into account local conditions in Myanmar.

EFR is committed to a transparent management structure governed by the solid principles. Our governance structure supports close coordination between Board of Directors (“BOD”) and the Board Committees throughout the organization. The structure promotes the objectives of;

- Early identification of opportunities and challenges
- Efficient process for informed decision–making
- Agile planning and fast execution
- Sound controls, checks and balances and compliance
- Clear allocation of authorities and responsibilities
- Safe operations

In the meantime, we have organized 4 Committees, namely Nomination, Remuneration and Corporate Governance Committee, Audit and Risk Management Committee, Investment and Portfolio Management Committee, and Legal Committee to ensure that all of our business operations are conducted effectively and transparently and in compliance with all the applicable laws and regulations. In addition, we have a Compliance & Corporate Secretary Team dedicated to deliver the Company's information to all stakeholders in a timely manner.

► Framework for corporate governance



3. Status of Major Shareholders (As of the End of FY 2019–2020)

	Name	Attributes (director, employee, institutional investor, etc.)	Nationality	Number of shares held	Shareholding ratio (%)
1	U Kyaw Lwin Oo	Chairman	Myanmar	5,889,883	29.48%
2	Daw Saw Sandar	Individual Investor	Myanmar	5,534,662	27.70%
3	Chang Yang Development	Institutional Investor	Myanmar	1,720,000	8.61%
4	U Aung Min Han	Chief Executive Officer	Myanmar	1,295,305	6.48%
5	Daw Khin Sone	Finance Director	Myanmar	1,295,305	6.48%
6	U Maung Maung Oo	Vice Chairman	Myanmar	1,282,536	6.42%
7	Daw Wut Hmone	Individual Investor	Myanmar	1,282,536	6.42%
8	Daw Zin Nyein Htwe	Executive Director	Myanmar	330,522	1.65%
9	Daw Hnin Yee Mon	Executive Director	Myanmar	328,980	1.65%
10	Daw Lae Lae Mu	Executive Director	Myanmar	326,098	1.63%

(Note) Total issued shares: 19,977,223 shares as of 30th September 2020

4. Policy on Foreigner Ownership

Foreign Shareholding Ratio (As of the End of FY 2019–2020)	0.0357 % of Total Shares
Foreign Shareholding Limit Determined by the Company	1.50 % (300,000 shares)
Reasons for setting the above Foreign Shareholding Limit and a future policy on foreigner ownership	Financing for projects development under Group Public Company

5. Policy on Dividends

The decision to declare and pay dividends, including the procedure for making dividend payments on each type and class of shares, shall be made at the Annual General Meeting (“AGM”) of shareholders, upon the recommendation of the Board of Directors (“BOD”). The resolution of the BOD shall be presented in the form of a recommendation to shareholders.

Subject to the MCL, our Company may, from time to time with the approval of Shareholders in a general meeting, declare dividends to be paid to the Shareholders; however, no dividend shall be declared in excess of the amount recommended by our Board. We must declare and pay all dividends out of profits of our Company. Our Directors

may declare an interim dividend without seeking Shareholders' approval. Our Board has the discretion to recommend payment of dividends and we will pay cash dividends, if any, in MMK.

Further, in considering the timing, manner, and amounts of dividends, if any, our Board intends to take into account various factors, including:

- the level of cash, gearing, return on equity, and retained earnings
- our Company's expected financial performance
- our Company's projected investment plans, including the new projects we are developing
- restrictions on payment of dividend that may be imposed on our Company under our financing arrangements

Being under development for all projects in the company, most of the retain earnings were used for business expansion for the fiscal year 2019–2020. As a result, no dividend was being proposed by the board of directors of the company in FY 2019–2020.

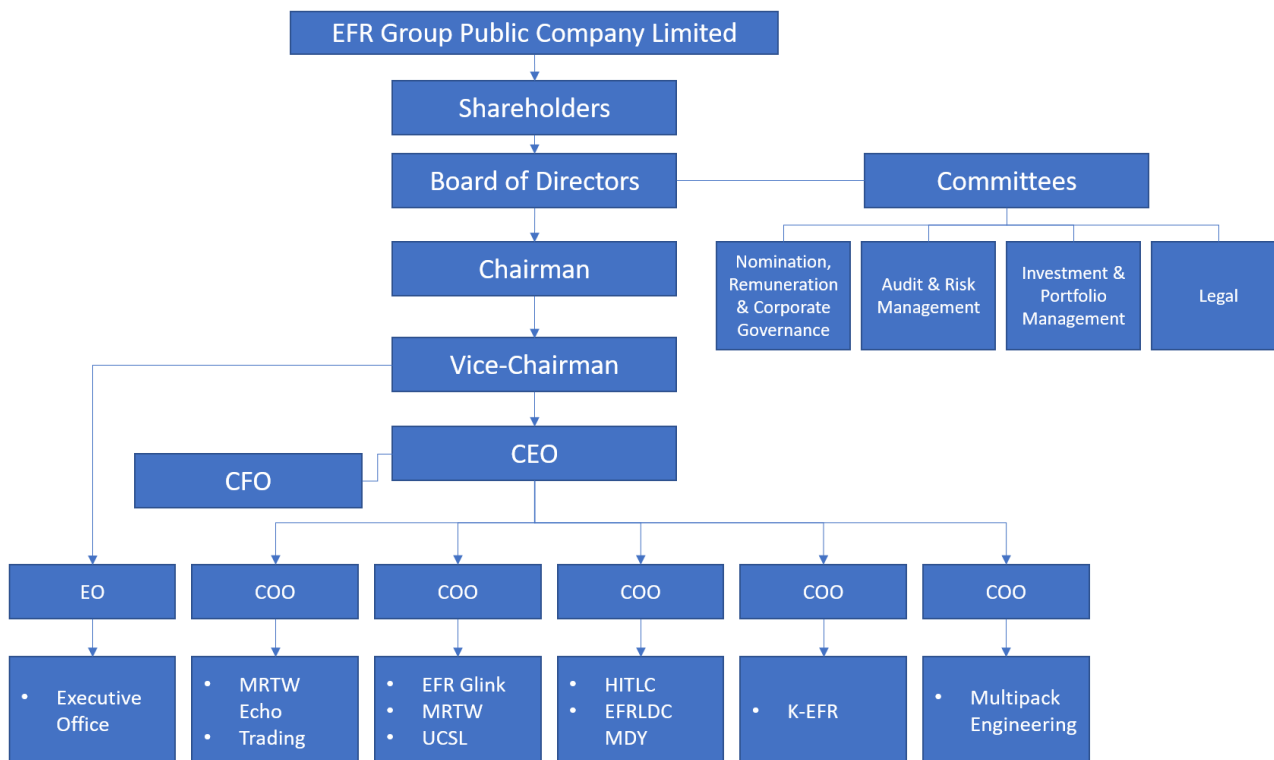
II. Status of Corporate Governance Systems

1. Composition of Corporate Governance Structure

(1) Composition of Corporate Governance Structure

The Board of Directors lays down the general business and management principles, and ensures the proper organization and governance of the company. Besides, the Board of Directors decides the strategy and the risk policies, and supervises the performance of the company and its management.

The Board of Directors works with the Management Team to ensure long-term succession planning for the Management Team. The Management Team and the Board of Directors regularly discuss the Group's strategy, the subsidiaries' objectives and strategies, the financial position and performance of the company and the Group, key business transactions, the progress of JVs and potential investments, compliance and compliance management, risk exposure and risk management, and all material business planning and relates implementation issues. The Management Team informs the Board of Directors promptly and in full about all issues of significance.



Nomination, Remuneration and Corporate Governance Committee

The main purpose of the Committee is to assist the Board of Ever Flow River Group Public Company Limited to fulfil its obligations to ensure the Company:

- has a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- has appropriate and unbiased remuneration policies and practices including promotion of diversity to attract, retain and reward directors who will pursue the Company’s long-term growth and success;
- adopts the most appropriate corporate governance policies and fulfil its responsibilities for oversight of good governance practices of the Company; and
- operates consistent with those remuneration and governance policies and practices.

The Committee is responsible for

- identifying and recommending to the Board, nominees for membership of the Board including the Chief Executive Officer;
- identifying and assessing the necessary and desirable competencies and characteristics for board membership and regularly assessing the extent to which those competencies and characteristics are represented on the Board;
- developing and implementing processes to identify and assess necessary and desirable competencies and characteristics for Board members;

- assessing and determining the time commitment needed from each Board member to adequately perform his or her duties;
- ensuring succession plans are in place to maintain an appropriate balance of skills on the Board and reviewing those plans; and
- recommending the removal of directors.

Audit and Risk Management Committee

The Audit & Risk Management Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Ever Flow River Group Public Company Limited (the “Company”) to assist the Board in discharging its oversight responsibilities for

- ensuring the balance, integrity and transparency of the company’s financial statements and the company’s accounting and financial reporting processes and financial statement audits especially
 - Appropriateness of accounting policies
 - Disclosure requirements
 - Fairness and balance of MD&A operating review
 - IFRS conversion
- the Company’s compliance with legal and regulatory requirements in
 - Effectiveness of system for ensuring compliance with laws and regulations
 - Code of conduct/ethics
 - Whistleblowing
- Risk Management and Internal Control in
 - Understanding of key risk areas
 - Effectiveness of control
 - Fraud risk
- Engagement with independent external auditors regarding
 - Appointment and remuneration
 - Scope of work
 - Independence requirement
 - Significant audit findings/recommendations
 - Reviewing the performance of external auditor
- The performance of the Company’s internal audit function with respect to
 - Character, authority and resources
 - Scope of work
 - Internal audit effectiveness

- Responses to internal audit recommendations
- Maintaining and measuring effectiveness in
 - Training needs
 - Maintaining financial literacy
 - Annual performance evaluation of audit committee
- Communicating and reporting regarding
 - Relationship with management
 - Updates and recommendations to the full Board
 - Reports to the Board and Shareholders.

Investment and Portfolio Management Committee

The Investment Committee (“Committee” or “the IC”) is established by the Board of Ever Flow River Group Public Company Limited (“EFR”) to support the Board in fulfilling its oversight responsibilities in a timely manner in respect of the management of EFR’s investments. This is done in a manner consistent with EFR’s operating needs and overall program goals, asset preservation and growth within EFR’s investment portfolio, and prudent maximization of risk-adjusted returns on investment consistent with objectives stated in the Investment Policy.

The Committee is to provide assurance to the Board on the effectiveness of the investment portfolio of the EFR. The Committee will review, monitor and make recommendations to the Board on the areas within its scope of responsibilities and on any other matters which the Board may request.

Words and expressions used in this Charter shall, unless the context requires otherwise, have the meaning attributed to them in the EFR By-laws.

Legal Committee

The Legal Committee (the “Committee”) of the Board of Directors (“Board”) of EFR Group Public Company Limited (the “Company”) is appointed by the Board. The Committee’s purposes shall be:

- To oversee the legal and regulatory compliance posture of the Company and its subsidiaries and the relationship of the Company and its subsidiaries with regulatory authorities having jurisdiction over the Company and its subsidiaries;
- To review key trends in legislation and regulation affecting the Company and its subsidiaries and their respective businesses and governance;
- To oversee the conduct and disposition of all material litigation and regulatory inquiries or proceedings involving the Company and its subsidiaries;

- To assist the Board in evaluating issues referred to the Board under the Company's Code of Conduct and related complaint procedures;
- To review the Company's actions in furtherance of its corporate social responsibility.

(2) Reasons for Adoption of Current Corporate Governance Structure

Corporate Governance is an important aspect of EFR Group Public Co., Ltd, in line with the company's values. EFR Group Public Co., Ltd is continuously developing its corporate governance in response to the strategic development, goals and activities, as well as to the external environment and input from stakeholders.

2. Information of Directors

Position (Independent Director, Executive Officer)	Name	Profile	Number of Shares Held	Date of Birth
Chairman	U Kyaw Lwin Oo	Please refer to page 51 of the DDL	5,889,883	24.04.1966
Vice-Chairman	U Maung Maung Oo	Please refer to page 51 of the DDL	1,282,536	26.11.1964
Finance Director	Daw Khin Sone	Please refer to page 53 of the DDL	1,295,305	12.06.1972
Chief Executive Director	U Aung Min Han	Please refer to page 53 of the DDL	1,295,305	16.05.1976
Executive Director	Daw Zin Nyein Htwe	Please refer to page 53 of the DDL	330,522	24.07.1984
Executive Director	Daw Hnin Yee Mon	Please refer to page 54 of the DDL	328,980	10.09.1984
Executive Director	Daw Lae Lae Mu	Please refer to page 54 of the DDL	326,098	28.12.1977
Executive Director	U Than Aung	Please refer to page 56 of the DDL	326,098	7.06.1974
Executive Director	U Kyaw Kyaw Thein	Please refer to page 56 of the DDL	326,098	26.09.1966
Independent Director	U Min Sein	Please refer to page 51 of the DDL	Nil	1.05.1946

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Independent Director	Dr. Hla Theingi	Please refer to page 52 of the DDL	Nil	16.12.1970
Independent Director	Prof. Daw Hla Myint	Please refer to page 52 of the DDL	Nil	18.11.1938

The following directors have concurrent positions in the board of directors of other companies.

Position (Independent Director, Executive Officer)	Name	Concurrent positions and companies
Chairman	U Kyaw Lwin Oo	<ul style="list-style-type: none"> • Director at K Efficient Logistics Consortium Co., Ltd. • Director at Ever Flow River Agro Venture Co., Ltd. • Director at E.F.R Hotel Group Co., Ltd.
Chief Executive Officer	U Aung Min Han	<ul style="list-style-type: none"> • Director at A&H Development Co., Ltd. • Director at SIM Co., Ltd. • Director at Open Sesame Co., Ltd.
Finance Director	Daw Khin Sone	<ul style="list-style-type: none"> • Director at Golden Host Travels & Tours Co., Ltd. • Director at Win Wealth Trading Co., Ltd.
Executive Director	Daw Hnin Yee Mon	<ul style="list-style-type: none"> • Director at A&H Development Co., Ltd.

3. Information of Members of Specialized Committees

(Nomination, Remuneration and Corporate Governance Committee)

Position (Independent Director)	Name
Independent Director	Prof. Daw Hla Myint (Committee Chair)
Vice-Chairman	U Maung Maung Oo (Committee Member)
Finance Director	Daw Khin Sone (Committee Member)
Chief Executive Officer	U Aung Min Han (Committee Member)
Compliance Officer	Daw Yee Mon Oo (Committee Member)
Corporate Secretary	Daw Naing Naing Oo (Committee Member)

Audit and Risk Management Committee

Position	Name
Independent Director	Dr. Hla Theingi (Committee Chair)
Vice-Chairman	U Maung Maung Oo (Committee Member)

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Chief Executive Officer	U Aung Min Han (Committee Member)
Finance Director	Daw Khin Sone (Committee Member)
Executive Director	U Than Aung (Committee Member)
Compliance Officer	Daw Yee Mon Oo (Committee Member)
Internal Auditor	U Ye Min Tun (Committee Member)

Investment and Portfolio Management Committee

Position	Name
Chairman	U Kyaw Lwin Oo (Committee Chair)
Vice-Chairman	U Maung Maung Oo (Committee Member)
Independent Director	Prof. Daw Hla Myint (Committee Member)
Independent Director	Dr. Hla Theingi (Committee Member)
Independent Director	U Min Sein (Committee Member)
Chief Executive Officer	U Aung Min Han (Committee Member)
Finance Director	Daw Khin Sone (Committee Member)
Executive Director	Daw Lae Lae Mu (Committee Member)
Executive Director	Daw Hnin Yee Mon (Committee Member)
Executive Director	Daw Zin Nyein Htwe (Committee Member)
Executive Director	U Than Aung (Committee Member)

Legal Committee

Position	Name
Independent Director	U Min Sein (Committee Chair)
Vice-Chairman	U Maung Maung Oo (Committee Member)
Finance Director	Daw Khin Sone (Committee Member)
Legal Advisor	Mr. Edward Tan (Committee Member)
Compliance Officer	Daw Yee Mon Oo (Committee Member)

4. Information of Meetings of the Board and Specialized Committees

(1) The number of meetings of the Board and specialized committees in the previous fiscal year (FY 2019–2020):

Meetings of the Board	4 times
Audit & Risk Management Committee	1 time
Nomination, Remuneration & Corporate Governance Committee	1 time
Investment & Portfolio Management Committee	1 time
Legal Committee	1 time

(2) Attendance at meetings of the Board and specialized committees in the previous fiscal year (FY 2019–2020):

	Board Meeting	Nomination, Remuneration & Corporate Governance Committee Meeting	Investment & Portfolio Management Committee Meeting	Audit & Risk Management Committee Meeting	Legal Committee Meeting
Total Number of meetings held	4	1	1	1	1
U Kyaw Lwin Oo (Chairman)	4 (100%)	N/A	1 (100%)	N/A	N/A
U Maung Maung Oo (Vice-Chairman)	4 (100%)	1 (100%)	1 (100%)	1 (100%)	1 (100%)
Daw Khin Sone (Executive Director)	4 (100%)	1 (100%)	1 (100%)	1 (100%)	1 (100%)
U Aung Min Han (Executive Director)	4 (100%)	1 (100%)	1 (100%)	1 (100%)	N/A
Daw Lae Lae Mu (Executive Director)	4 (100%)	N/A	1 (100%)	N/A	N/A
Daw Zin Nyein Htwe (Executive Director)	4 (100%)	N/A	1 (100%)	N/A	N/A
Daw Hnin Yee Mon (Executive Director)	4 (100%)	N/A	1 (100%)	N/A	N/A
Prof. Daw Hla Myint (Independent Director)	4 (100%)	N/A	1 (100%)	N/A	N/A
Dr. Hla Theingi (Independent Director)	4 (100%)	N/A	1 (100%)	1 (100%)	N/A
U Min Sein (Independent Director)	4 (100%)	1 (100%)	1 (100%)	N/A	1 (100%)

Note: “N/A” in the table means that the Board of Director is not included in the Committee.

5. Process for the Selection, Appointment and Re-appointment of New Directors (if any)

The process for the selection, appointment and re-appointment of new Directors is handled by the Nomination, Remuneration and Corporate Governance Committee. This committee assists the Board by establishing an overview of the competencies required and represented on the Board, and reviews the structure, size, composition, succession planning and diversity of the Board of Directors.

The Committee also reviews the application of the independence criteria, initiates recruitment and evaluates candidates for election to the Board of Directors. The tasks of the Nomination, Remuneration and Corporate Governance Committee are described in the rules of procedure approved by the Board of Directors.

6. Remuneration of Directors, etc.

(1) Remuneration policies and procedure for setting remuneration, if any

Remuneration at EFR is intended to drive a ‘pay for performance’ culture, by aligning reward to the company performances and value creation for shareholders.

The remuneration policy for the Board of Directors and the Management Team is aligned with the objectives and philosophy set out in the below table.

Objectives	Philosophy
The remuneration policy and practices are designed to support	The remuneration philosophy is built on the following principles
<ul style="list-style-type: none"> Delivering strong business and financial results to grow shareholder value, and 	<ul style="list-style-type: none"> Aligns the interest of executives with those of shareholders
<ul style="list-style-type: none"> The attraction, retention and motivation of a highly effective executive team 	<ul style="list-style-type: none"> Pays for the performance and the company’s achievement of financial and strategic objectives
	<ul style="list-style-type: none"> Rewards behaviors that drive company growth through collaboration, agility, customer and people orientation

(2) Outline of Remuneration

Remuneration of Directors for the previous fiscal year (FY 2019–2020):

Total Amount	2,152,960,000
Base / Fixed Salary	215,296,000
Variable or Performance-related Income	Nil
Benefits in Kind	Nil

Stock Options	Nil
Number of Directors	10

III. Implementation of Measures for Shareholders

1. Status of efforts to facilitate the exercise of voting rights by shareholders

So far we've held our 5th Annual General Meeting on 3rd July 2021 and we've duly delivered the AGM invitation letters and other related materials 28 calendar days upfront in accordance with Myanmar Companies Law 2017. Moreover, we've disclosed about our Record Date, Ex-date and Last day to trade 7 business days ahead to give the investors efficient timeline to make proper investment decisions on whether they want to attend our AGM and make a vote.

In accordance with the MCL 2017, the ordinary General Meeting shall be held once at least in every calendar year and not more than fifteen months after the holding of the last preceding annual general meeting at such time and place as may be determined by our Company. Such General Meeting may also be called by any two Shareholders.

The Board of Directors (BOD) may convene an Extraordinary General Meeting whenever it thinks fit and must do so if shareholders representing not less than 10% of the total voting rights of all shareholders request in writing that such a meeting be held.

2. Status of IR Activities

We've participated in YSX's activities such as YSX Live Talk Program (Financing Opportunities in Myanmar Capital Market) and YSX's First Online Expo 2020 to keep in touch with our investors. We also have a Corporate Secretary Department to communicate with our shareholders effectively. Our Corporate Secretary Department was founded with three members, namely U Maung Maung Oo, Vice-Chairman of EFR Group and also the Department in-charge, Daw Yee Mon Oo, Compliance Officer of EFR Group and Daw Naing Naing Oo, the Corporate Secretary of EFR Group. Furthermore, we've always been disclosing our updated disclosures of both statutory and timely disclosures and announcements on Yangon Stock Exchange website and our company website in a timely manner in accordance with the relevant prescribed regulations and guidelines.

Reference: <https://www.efrgroupmyanmar.com/news/categories/announcements>
<https://www.efrgroupmyanmar.com/news/categories/press-release>

IV. Status of Internal Control System

1. Basic Policy on Internal Control System

EFR's risk management process and internal control system involves routine assessments to determine present risks and their severity, and to identify the effectiveness of existing control measures. If further actions are required, they are assigned and reviewed regularly. The top down and bottom-up risk assessment approach encompasses functions and clusters as well as risks realized within EFR or the business within EFR operates.

Risk Management is embedded in EFR's organization and process and is designed to increase the awareness of these risks within the organization. The Enterprise Risk Management Process is aligned with other internal and external processes (for example internal control, internal audit, operational compliance and quality assurance). The process includes reporting to the Audit and Risk Management Committee, which provides Board level oversight. The Risk Management cycle supports the Management Team to monitor risks on a day-to-day basis.

Please refer to the Risk Management section in EFR's Annual Report (FY 2019-2020) as per the following link for more detailed information.

https://ysx-mm.com/wp-content/uploads/2021/06/dd_00006_20210630.pdf

2. Status of Constructing Internal Control System

The Company has set a basic policy for the business management of the units and has clarified the scope and terms of business management of the company. Different policies and set of reporting systems are established which requires the units to submit applications for approval and to report on important matters that can have impact on the group management strategy and business plan.

Directors and employees of EFR are practicing the Group Code of Conduct that was written to establish the business ethics and standards to ensure the compliance by directors, corporate officers and employees of the Group in accordance with the laws and regulations.

Compliance Officer has also been assigned to prompt the understanding and the implementation of the Group Code of Conduct throughout the Group.

Monthly Steering Meetings are done with the top managements of each business unit to ensure that the units are performing in accordance with the proposed plans and proper guidance and strategies are given timely. Weekly Meetings at each unit with the assigned directors and the departmental heads ensure that the company is performing its best and given guidance to ensure the management of risk timely.

The Group's controller and accounting organization at both central and division levels plays a significant role in ensuring reliable financial information and it is responsible for complete, accurate and timely financial reporting.

V. Related Party Transaction

1. Related Party Transaction Policy

Our Company's RPT Policy is intended to ensure that every Related-Party Transaction (RPT) is conducted in a manner that will protect the Company from conflict of interest which may arise between the Company and its Related Parties; and ensure proper review, approval, ratification, and disclosure of transactions between the Company and any of its Related Parties as required in compliance with legal and regulatory requirements.

All RPTs must be reported to the Compliance Officer or Corporate Secretary, which may approve or disapprove the non-material RPTs in consideration of the "RPT consideration criteria".

All material RPTs will be referred by the Compliance Officer or Corporate Secretary to the Committee for review and approval or ratification. Any member of the Committee who has a potential interest in transaction will excuse himself or herself and abstain from voting on the approval or ratification.

The Committee may approve or disapprove the transaction in consideration of "RPT consideration criteria". To review an RPT, the Committee will be provided with all relevant information of the RPT, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters.

Material Threshold is set at 5% of the annual consolidated turnover of the Company as per latest audited financial statements of the Company or US\$ 100,000; whichever is lower. But according to the RPT instruction issued by SECM, we will duly amend the Material Threshold limit as needed.

We have Corporate Secretary Team who will manage the activities which are needed to communicate not only to regulatory bodies but also to the public. For disclosing the RPTs, SECM has already issued the RPT instruction which is already included the format to submit the RPT transactions to SECM within 5 business days. Also, we'll update our RPT transactions in this CG Report from YSX in a timely fashion.

2. Outline of Related Party Transactions

1st October 2019 – 30th September 2020

Name of related party	Attributes of related party	Voting right ratio	Contents of transaction with related party (Note 1)	Trading amount (MMK) / Ratio to Total Assets (%)	Item	Balance at the end of FY (MMK) / Ratio to Total Assets (%)
N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: There were no RPTs during the abovementioned financial period with the amount more than the materiality threshold set by RPT Instruction by SECM and thus, the above table is not applicable for the time being.

– End –