

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of EA Holdings Berhad is committed to ensure that high standards of corporate governance are maintained throughout the Company and its subsidiaries ("the Group"). The Board is fully dedicated in ensuring that good corporate governance and practices are implemented as a fundamental part of discharging its duties to enhance shareholders' values consistent with the principles and best practices set out in the Malaysian Code on Corporate Governance ("MCCG") and the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

I. Board of Directors' Duties and Responsibilities

The Board has overall responsibility for the corporate governance, proper conduct and strategic direction of the Group. The Board delegates authority and vests accountability for the Group's day to day operations with a management team led by the Group's CEO, En. Mohammad Sobri bin Saad. The Board, however, assume responsibility for the following areas :-

- a) Reviewing and adopting a strategic plan for the Group;
- b) Overseeing the conduct of the Group of the Group's business to evaluate whether the business is being properly managed;
- c) Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- d) Succession planning;
- e) Developing and implementing an investor relations programme and shareholder communications policy for the Group; and
- f) Reviewing the adequacy and the integrity of the Group's internal controls systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

II. Chairman

The Chairman of the Board, En. Borhan bin Abdul Halim is an Independent Non-Executive Director. The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board, which is fully defined in the Board Charter.

III. Separation in the role of Chairman and CEO

The roles and responsibilities of the Chairman of the Board and the CEO are exercised by different individuals, and are clear and distinct. The Chairman's primary role is to lead and manage the Board, which would include, amongst others, leading the Board in the oversight of the management, ensuring the integrity of the corporate governance process and issues, guiding and mediating Board actions with respect to organisational priorities and governance concerns.

The CEO is responsible for the development and implementation of strategy, overseeing and managing the day to day operations of the Group, directing and controlling all aspects of business operations, overseeing the human resources of the Group and ensuring compliance with all governmental procedures and regulations.

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

1. Board Responsibilities (cont'd)

IV. **Qualified and Competent Company Secretary**

The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in the discharge of functions. The Company Secretary ensure that all Board meetings are properly convened, and accurate and proper records of the proceedings and resolutions passed are recorded and maintained in the statutory register of the Company. The Company Secretary also ensure that the Board policies and procedures are followed and rules and regulations, codes or guidance and legislations are complied with.

V. **Access to Information and Advice**

All Board members have full and unrestricted access to information on the Group's business and affairs. All scheduled meetings held during the year were preceded by a formal notice issued by the Company Secretary in consultation with the Chairman. The Board papers contain all relevant information and reports on financial, operational, corporate, regulatory and minutes of meetings. These documents are comprehensive and include qualitative and quantitative information to enable the Board members to make informative decisions. Where required, senior management and external advisors are invited to attend these meetings to explain and clarify on matters tabled.

The Board is regularly updated and advised by the Company Secretary on new statutory as well as regulatory requirements. The Board has full and unrestricted access to the advice and services of the Company Secretary as well as the senior management. Where necessary, the Board may obtain independent professional advice at the Company's expenses on the specific issues to enable the Board to make well-informed decisions in discharging their duties on the matters tabled.

VI. **Board Charter**

The Board had approved and adopted a Board Charter setting out the duties, responsibilities and functions of the Board in accordance with the principles of good corporate governance as set out in the policy documents and guidelines issued by the regulatory authorities. The charter is regularly reviewed and updated to ensure its consistency with the Code. The Board Charter is available on EAH's corporate website at www.eah.com.my.

VII. **Code of Conduct and Ethics**

The Board has been guided by the Code of Conduct for Directors, Management and Officers of the Group, to promote the corporate culture which engenders ethical conduct that permeates throughout the Group to be in line with the Code. The Code of Ethics will require all Directors to observe high ethical business standards, and to apply these values to all aspects of the Group's business and professional practice and act in good faith in the best interests of the Group and its shareholders.

VIII. **Whistle Blowing Policy**

The Board has established a Whistle-blowing Policy, available for viewing on the Company's website at www.eah.com.my. The Board is committed to promote and maintain a high standard of integrity, openness and accountability in the conduct of its businesses and operations. The Company provides avenue for employees and stakeholders to report and disclose any wrongdoing or improper conduct relating to unlawful conduct, inappropriate behaviour, malpractices, any violation of the procedures as provided under this policy or any action that is or could be harmful to the reputation of the Group or compromise the interests of the shareholders, clients and the public, to the Company. This is also to provide protection for the whistle-blower from reprisal as a direct consequence of making a disclosure and to safeguard such person's confidentiality. Employees and stakeholders are encouraged to submit their reports and concerns to the Company via the Company's website and it will be attended to by the Board or the Senior Management, as the case may be.

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

1. Board Responsibilities (cont'd)

IX. Anti-Bribery and Anti-Corruption Policy

In compliance with the requirement of S17A of the Malaysian Anti-Corruption Commission Act 2018 which took effect on 1st June 2020, the Company has adopted the Anti-Bribery and Anti-Corruption Policy including corporate liability for corruption. The Group has established and implemented policies and procedures to prevent corruption practices and safeguard the integrity of the Company. The Anti-Bribery and Anti-Corruption Policy is available on the Company's website at www.eah.com.my.

2. Board Composition

I. Composition and Board Balance

The Group is led and managed by a well-balanced Board which consists of members with wide range of business, technical and financial background in ensuring that the Group achieves the highest standard of performance, accountability and ethical behaviour as expected by the stakeholders.

The Board is made up of six (6) members as follows, consisting of three (3) Executive Directors, two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director as follows:

Name of Members	Designation
Borhan bin Abdul Halim	Chairman, Independent Non-Executive Director
Mohammad Sobri bin Saad	Chief Executive Officer/Executive Director
Basir bin Bachik	Executive Director
Choo Seng Choon	Independent Non-Executive Director
Abdul Fattah bin Mohamed Yatim	Non-Independent Non-Executive Director
Wong Wan Rou	Executive Director

The Board has a balanced composition of Executive and Non-Executive Independent Directors such that no individual or group of individuals can dominate the Board's decision making powers and processes. All Board members carry an independent judgement to bear on issues of strategy, performance, resources and standards of products. This current Board composition complies with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad on the limit of five (5) directorship and at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, are Independent Directors.

The profiles of the Directors are presented on page 11 to 13 of this annual report.

II. Tenure of Independent Non-Executive Director

The Board has adopted nine (9) years policy for Independent Non-Executive Directors. None of the current independent Board members had served the Company for more than nine years as per recommendation of the MCCG. According to the Code, if the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval through a two-tier voting process at a general meeting. The Board acknowledges that the tenure of an Independent Director shall not exceed a cumulative term of twelve (12) years pursuant to the Listing Requirements of Bursa Securities. If the services of the Director concerned are still required, the director concerned will be re-designated as a non-independent Director. During the financial period, Abdul Fattah bin Mohamed Yatim has re-designated as Non-Independent Non-Executive Director, due to his tenure of an Independent Director exceeded 12 years.

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

2. Board Composition (cont'd)

III. **Board Gender Diversity**

The current Board composition consists of one (1) woman Director, which is complied with the Ace Market Listing Requirements that required at least one (1) woman director on the board in listed companies.

The Board is always committed to ensuring that the directors of the Company possess a broad balance of knowledge, merits, capability, experience, skillsets, integrity and diversity, including gender diversity. The Company always provide a fair opportunities and higher female representation will be considered when vacancies arise with the primary aim of selecting the best candidate to support the achievement of the Groups' objectives. The Company adheres to the practise of diversity and ensuring transparency for the appointment of Board Committees with non-discrimination of race, religion, age and gender throughout the organisation.

IV. **Board Meeting**

The Board will meet at least four (4) times a year with additional meetings being held as and when required. For the financial period ended 31 July 2024, nine (9) Board meetings were held. The Board is satisfied with the level of time committed by its members in discharging their duties and roles.

The attendance of the Directors at Board meetings during the financial period ended 31 July 2024 are:

No.	Name of Members	Designation	Attendance	% of Attendance
1	Borhan bin Abdul Halim (Appointed on 31 January 2024)	Chairman, Independent Non-Executive Director	2/2	100%
2	Mohammad Sobri bin Saad	CEO/Executive Director	9/9	100%
3	Basir bin Bachik	Executive Director	9/9	100%
4	Abdul Fattah bin Mohamed Yatim	Non-Independent Non-Executive Director	9/9	100%
5	Choo Seng Choon	Independent Non-Executive Director	9/9	100%
6	Wong Wan Rou (Appointed on 9 June 2023)	Executive Director	8/8	100%
7	Dato' Azahar bin Rasul (Resigned on 31 January 2024)	Chairman, Independent Non-Executive Director	6/7	86%

V. **Board Committees**

To assist the Board in discharge of their duties effectively, the Board has delegated specific functions to certain committees. Each committee will operate within its clearly defined terms of reference.

(a) Audit and Risk Management Committee

The terms of reference of the Audit and Risk Management Committee are set out on page 23 to 25 of the annual report.

(b) Nomination Committee

The Nomination Committee comprises of Non-Executive Directors as follows :-

Chairman	Borhan bin Abdul Halim
Members	Abdul Fattah bin Mohamed Yatim Choo Seng Choon

The Nomination Committee considers and recommends to the Board suitable candidates whom the Committee feel would be of good value and a complementing addition to the Board. The appointment of the Directors remains the responsibility of the Board after taking into consideration the recommendations of the Nomination Committee. The assessment of the effectiveness of the Board collectively and individually is an on-going continuous process undertaken by the Nomination Committee.

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

2. Board Composition (cont'd)

V. **Board Committees** (cont'd)

b) Nomination Committee (cont'd)

Whenever deemed necessary, the Committee would forward the relevant recommendations for the Board consideration. In carrying out its duties and responsibilities, the Nomination Committee have full, free and unrestricted access to any information, record, properties and personnel of the Group. The Committee may seek the external professional services to source for the right candidate for directorship or seek independent professional advice whenever necessary. The Nomination Committee is of the opinion that the current Board composition has the necessary knowledge, experience, professionalism, integrity, requisite range of skills and competence to enable them to discharge their duties and responsibilities.

Nomination Committee attendance were as follows:-

No.	Name of Members	Attendance	Percentage
1	Abdul Fattah bin Mohamed Yatim	2/2	100%
2	Borhan bin Abdul Halim (Appointed on 31 January 2024)	-	-
3	Choo Seng Choon	2/2	100%
4	Dato' Azahar bin Rasul (Resigned on 31 January 2024)	2/2	100%

VI. **Directors' Training**

The Board is mindful of the importance for its members to undergo continuous training to be apprised on changes to regulatory requirements and the impact such regulatory requirements have on the Group. All Directors have attended the Mandatory Accreditation Programme ("MAP") as required by Bursa Malaysia Securities Berhad. The Directors will continue to undergo other relevant training programmes to keep themselves abreast with the relevant changes in laws, regulations and business development and the Board would also continually assess the training needs of the Directors as part of their obligation to update and enhance their skills and knowledge in order to effectively carry out their duties and responsibilities.

During the financial period ended 31 July 2024, the Directors had attended the following training programmes :-

Directors	Title
Borhan bin Abdul Halim	- Webinar Mandatory Accreditation Programme (MAP) Part I by Bursa Malaysia on 29 and 30 April 2024 - Webinar Mandatory Accreditation Programme (MAP) Part II: Leading for Impact (LIP) by Bursa Malaysia on 12 and 13 June 2024
Mohammad Sobri bin Saad	- Webinar Mandatory Accreditation Programme (MAP) Part II: Leading for Impact (LIP) by Bursa Malaysia on 12 and 13 June 2024
Basir bin Bachik	- Webinar Mandatory Accreditation Programme (MAP) Part II: Leading for Impact (LIP) by Bursa Malaysia on 12 and 13 June 2024
Abdul Fattah bin Mohamed Yatim	- Webinar Mandatory Accreditation Programme (MAP) Part II: Leading for Impact (LIP) by Bursa Malaysia on 12 and 13 June 2024

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

2. Board Composition (cont'd)

VI. Directors' Training (cont'd)

During the financial period ended 31 July 2024, the Directors had attended the following training programmes (cont'd) :-

Directors	Title
Choo Seng Choon	<ul style="list-style-type: none"> - MIA Webinar Series: Embracing ESG in Value Creation on 21 and 22 June 2023 - Webinar Mandatory Accreditation Programme (MAP) Part II: Leading for Impact (LIP) by Bursa Malaysia on 19 and 20 September 2023 - MIA Webinar Series: Equity Accounting, Joint Ventures, Joint Arrangements and Joint Operations on 6 December 2023
Wong Wan Rou	<ul style="list-style-type: none"> - Webinar Mandatory Accreditation Programme (MAP) Part I by Bursa Malaysia on 26 and 27 June 2023 - MIA Webinar Series: Preparation and Presentation of Consolidated Financial Statements on 11 and 12 December 2023 - Webinar Mandatory Accreditation Programme (MAP) Part II: Leading for Impact (LIP) by Bursa Malaysia on 12 and 13 June 2024

VII. Appointment and Re-election of Directors

One third (1/3) of the Board shall retire from office and are eligible for re-election at each Annual General Meeting and all directors shall retire from office once in every three (3) years but shall be eligible for re-election. The Company's Constitution also provides that a Director who is appointed by the Board in the course of the year shall be subject to re-election at the next AGM to be held following his appointment.

In assessing the candidates' eligibility for re-election, the Nomination Committee considers their competencies, commitment, contribution, and performance based on their respective performance evaluation to the Board and their ability to act in the best interest of the Company. The Board makes recommendations concerning the re-election, re-appointment and the continuation in office of any Director for shareholders' approval at the AGM.

3. Remuneration

I. Remuneration Policy

The Remuneration Committee reviews, assesses and recommends to the Board the remuneration packages of the executive directors in all forms. None of the executive directors participated in any way in determining their individual remuneration. The Board as a whole determines the remuneration of the non-executive Chairman and non-executive directors with individual directors abstaining from decisions in respect of their individual remuneration.

In carrying out its duties and responsibilities, the Remuneration Committee have full, free and unrestricted access to any information, record, properties and personnel of the Company. The Remuneration Committee may obtain the advice of external consultants on the appropriateness of remuneration package and other employment conditions if required.

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

3. Remuneration (cont'd)

I. **Remuneration Policy** (cont'd)

The remuneration package is designed to support the Company's strategy and to provide an appropriate incentive to maximise individual and corporate performance, whilst ensuring that overall rewards are market competitive. The Executive Directors' package consists of basic salary, contribution to the national pension fund and benefits-in-kind such as medical care, car allowance and fuel whilst the Non-Executive Directors' package primarily consists of fees only.

II. **Remuneration Committee**

The Remuneration Committee comprises exclusively of Non-Executive Directors as follows :-

Chairman	Abdul Fattah bin Mohamed Yatim
Members	Borhan bin Abdul Halim Choo Seng Choon

Remuneration Committee attendance were as follows :-

No.	Name of Members	Attendance	Percentage
1	Abdul Fattah bin Mohamed Yatim	1/1	100%
2	Borhan bin Abdul Halim (Appointed on 31 January 2024)	-	-
3	Choo Seng Choon	1/1	100%
4	Dato' Azahar bin Rasul (Resigned on 31 January 2024)	1/1	100%

The details of the Directors' remuneration for the financial period ended 31 July 2024 are as follows :-

	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Salaries and other emoluments	766	-
Fees	-	194

The number of Directors whose remuneration falls into each band of RM50,000 are set as follows :-

	Number of Directors	
	Executive Directors	Non-Executive Directors
50,000 – 100,000	-	3
150,001 – 200,000	1	-
250,001 – 300,000	1	-
500,001 – 550,000	1	-

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

3. Remuneration (cont'd)

III. Remuneration of Senior Managements

The aggregate remuneration of the top 6 Key Senior Management of the Group for the financial period ended 31 July 2024 are as follows :-

Remuneration	Number of Key Senior Management
300,001 – 350,000	2
350,001 – 400,000	1
400,001 – 450,000	1
450,001 – 500,000	1
1,500,001 – 1,550,000	1

4. Board's Performance Evaluation

The Nomination Committee has a formal assessment processes to review and evaluate the individual Director's performance and assess the effectiveness of the Board and Board's Committees. The Assessment were based on the criteria as recommended by the MCCG, which includes the Board structure and operations, roles and responsibilities, overall quality input to Board effectiveness, succession planning and Board Governance. The Board evaluation comprises Performance Evaluation of the Board and Board Committee, Directors' Self and Peer Evaluation and Assessment of the independence of the Independent Director. The Independent Non-Executive Directors provide a broader view and independent assessment to the decision-making process of the Board taking into account of the interest of the Group and all its stakeholders. During the financial period, the Board has assessed the independence of the Independent Non-executive Directors and is generally satisfied with their ability to act independently and objectively in the best interest of the Group. In conclusion, the Board was satisfied with the overall performance of individual Director, Board and Board Committees for the period under review.

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit and Risk Management Committee

The Audit and Risk Management Committee ("ARMC") assists the Board to oversee the Group's financial reporting process. ARMC of the Board comprises exclusively of Non-Executive Directors and the Chairman of the ARMC is distinct from the Chairman of the Board. It is a practice for ARMC to require former key audit partner who was part of the engagement team to observe a cooling-off period of at least 2 years before being appointed as a member of the ARMC. For the financial period ended 31 July 2024, no former key audit partner has been appointed or is a Director of the Company. There are 5 meetings held for ARMC during the current financial period. The role, activities, authority, duties and responsibilities of the ARMC during the financial period are described in the Audit and Risk Management Committee Report found on page 23 to 25 of this annual report.

The Group and ARMC have always maintained a close and transparent relationship with the both internal and external auditors in seeking professional advice and ensuring compliance with the relevant accounting standards. The internal and external auditors are invited to attend Audit and Risk Management Committee meetings and present their audit findings without the Executive Directors. The Committee is responsible for reviewing audit and non-audit services provided by the auditors. The independence, effectiveness and performance of the external auditors is reviewed annually by the Committee. External auditors will be recommended for re-appointment on the Board and seek approval from the shareholders at the forthcoming AGM. During the financial period under review, the ARMC had private meetings with the External Auditors without the presence of the Executive Board members and management.

The internal audit function has outsourced to an independent professional firm which reports directly to ARMC. The Committee works together with internal auditor on the scope of the audit and plan internal audit activities annually. All audit findings arising will then report directly to the Committee.

Corporate Governance Overview Statement

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

2. Risk Management and Internal Control Framework

The Statement on Risk Management and Internal Control is set out on page 26 to 27 of this annual report detailing the features of the risk management and internal control frameworks of the Group.

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MAINTAINING RELATIONSHIP WITH STAKEHOLDERS

1. Communication with Stakeholders

The Board values the importance of effective communication and timely flow of information of all material business matters to the stakeholders. Hence, the Board has established corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosure information to the shareholders and stakeholders. In line with this commitment and in order to enhance the transparency and accountability, the Board has adopted an internal corporate disclosure policies and procedures to facilitate the handling and disclosure of material information in a timely and accurate manner. The information is communicated through the annual reports, circulars, quarterly results announcement, and the various disclosures and announcements made to Bursa Securities from time to time, in order to keep the stakeholders properly informed of the Group's performance and operations. The Group maintains a website at www.eah.com.my that allows all shareholders and investors access to information about the Group.

2. Annual General Meeting

The Annual General Meeting is the principal forum dialogue with all shareholders. Shareholders are encouraged to participate in the questions and answers session and all the Directors are available to respond to questions during the meeting. It provides the opportunity for the shareholders to meet and discuss for the Group's strategies, performance, major developments, corporate governance, future prospects and direction. The Board will also ensure that general meetings are served as an effective platform for the shareholders' communication by supplying timely and accurate information. Notice of Annual General Meeting and the annual report are sent to shareholders at least 21 days before the date of the meeting, allow sufficient time for the shareholders to review and seek clarification, if any. The notice included details of resolutions to be passed in the general meeting.

Statement of Compliance with the Code

The Board believes that the Group has complied with majority practices of the Principles and Recommendation of the Code, the relevant chapters of the Listing Requirement of ACE Market of Bursa Malaysia Securities Berhad on corporate governance and all applicable laws and regulations throughout the financial period ended 31 July 2024. The Board has reviewed and approved this Statement and is satisfied that the Group has fulfilled its obligation. The Corporate Governance Report is available on the Group's website, www.eah.com.my, as well as on Bursa Malaysia Berhad's website, www.bursamalaysia.com.

Director Responsibility Statement

This statement is prepared pursuant to the Listing Requirement of Bursa Malaysia Securities Berhad for the ACE Market.

The Board is fully accountable to ensure that the financial statements are prepared in accordance with the applicable approved accounting standards prescribed by Malaysian Accounting Standards Board and give a true and fair view of the state of affairs of the Group, including cash flow and results as at the end of each period/year.

The Directors are responsible for ensuring that the Group and the Company have maintained proper accounting records which disclose with reasonable accuracy the financial position of the Group and the Company which comply with the provisions of the Companies Act 2016.

The Directors have general responsibility for taking such steps as are reasonable available to them to safeguard the assets of the Group and the Company and to detect and prevent fraud and other irregularities.