

Corporate Governance Overview Statement

The Board of Directors of EA Holdings Berhad is fully committed towards ensuring that the principles and best practices as set out in the Malaysian Code on Corporate Governance 2017 (“the Code”) are applied and practiced by the Group to deliver long term sustainable value to the shareholders and stakeholders.

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, Dato’ Azahar bin Rasul 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, such as, amongst others, developing long-term strategic and short-term cash flow plans, directing and controlling all aspects of business operations, overseeing the human resources need of the Group and ensuring compliance with all governmental procedures and regulations.

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.

Corporate Governance Overview Statement

(Continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

1. Board Responsibilities (Continued)

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 Secretaries on new statutory as well as regulatory requirements. The Board has full and unrestricted access to the advice and services of the Company Secretaries 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

In 2014, 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 MCCG. 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.

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 five (5) members, consisting of two (2) Executive Directors and three (3) Independent Non-Executive Directors as follows:

Name Of Members	Designation
Dato' Azahar bin Rasul	Chairman, Independent Non-Executive Director
Mohammad Sobri bin Saad	Chief Executive Officer/Executive Director
Basir bin Bachik	Executive Director
Leou Thiam Lai	Independent Non-Executive Director
Abdul Fattah bin Mohamed Yatim	Senior Independent Non-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. All the Directors have also complied with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad on the limit of five (5) directorship in public listed companies.

The profiles of the Directors are presented on page 10 to 11 of this annual report.

Corporate Governance Overview Statement

(Continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

2. Board Composition (Continued)

II. Tenure of Independent Director

According to Practice 4.2 of MCCG, if the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. Dato' Azahar bin Rasul, Chairman, Independent Director and Abdul Fattah bin Mohamed Yatim, Independent Director have served the Board of EAH for more than nine (9) years. Their tenure of service is set out in the Profile of Board of Directors of this Annual Report.

The Board has via the NC conducted an annual performance evaluation and assessment on the Independent Directors and is of the opinion that Dato' Azahar bin Rasul and Abdul Fattah bin Mohamed Yatim remains objective and independent in expressing their views.

Based on the recommendation of the NC, the Board will be seeking the shareholders' approval in the 9th AGM for Dato' Azahar bin Rasul and Abdul Fattah bin Mohamed Yatim to continue as Independent Directors of the Company by way of ordinary resolutions. The justifications for their continuation as Independent Directors are disclosed in the Notice of the AGM.

III. Gender Diversity

There is currently no women on the Board. At present, the Board does not have a specific policy on gender, ethnicity and age group for candidates to be appointed to the Board and does not have policy on setting target to achieve more female participation on Board. However, the Board is 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 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.

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 March 2019, four (4) 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 year ended 31 March 2019 are :

No.	Name Of Members	Designation	Attendance	% Of Attendance
1	Dato' Azahar bin Rasul	Chairman, Independent Non-Executive Director	4/4	100%
2	Mohammad Sobri bin Saad	Executive Director/CEO	4/4	100%
3	Basir bin Bachik	Executive Director	4/4	100%
4	Abdul Fattah bin Mohamed Yatim	Independent Non-Executive Director	4/4	100%
5	Leou Thiam Lai	Independent Non-Executive Director	4/4	100%

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 Committee are set out on page 20 to 22 of the annual report.

Corporate Governance Overview Statement

(Continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

2. Board Composition (Continued)

V. Board Committees (Continued)

(b) Nomination Committee

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

Dato' Azahar bin Rasul	Chairman
Abdul Fattah bin Mohamed Yatim	Member
Leou Thiam Lai	Member

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 ongoing continuous process undertaken by the Nomination Committee.

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.

En. Abdul Fattah bin Mohamed Yatim was appointed as the Senior Independent Non-Executive Director, to whom the concerns by the public and external stakeholders can be addressed.

Nomination Committee attendance were as follows :-

No.	Name Of Members	Attendance	Percentage
1	Dato' Azahar bin Rasul	1/1	100%
2	Abdul Fattah bin Mohamed Yatim	1/1	100%
3	Leou Thiam Lai	1/1	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 year ended 31 March 2019, the Directors had attended the following training programmes :-

Directors	Title
Dato' Azahar bin Rasul	ALLIANZ Health & Wellness Talk on 14 Nov 2018
Mohammad Sobri bin Saad	Technology Updates with IBM held on 10th May 2018
Basir bin Bachik	Technology Updates with IBM held on 10th May 2018
Abdul Fattah bin Mohamed Yatim	ASEAN Decentralised 2.0 on 3-4 September 2018
Leou Thiam Lai	2019 Budget Seminar held on 4 December 2018

Corporate Governance Overview Statement

(Continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

2. Board Composition (Continued)

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.

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.

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 Independent Non-Executive Directors as follows :-

Dato' Azahar bin Rasul	Chairman
Abdul Fattah bin Mohamed Yatim	Member
Leou Thiam Lai	Member

Remuneration Committee attendance were as follows :-

No.	Name Of Members	Attendance	Percentage
1	Dato' Azahar bin Rasul	1/1	100%
2	Abdul Fattah bin Mohamed Yatim	1/1	100%
3	Leou Thiam Lai	1/1	100%

Corporate Governance Overview Statement

(Continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

3. Remuneration (Continued)

II. Remuneration Committee (Continued)

The details of the Directors' remuneration for the financial year ended 31 March 2019 are as follows :-

	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Salaries and other emoluments	441	-
Fees	-	132

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
1 – 50,000	-	2
50,001 – 100,000	-	1
200,001 – 250,000	2	-

III. Remuneration of Senior Managements

The aggregate remuneration of the top 5 Key Senior Management of the Group for the financial year ended 31 March 2019 are as follows :-

Remuneration	Number of Key Senior Management
200,001 – 250,000	5

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 year, 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 year under review.

Corporate Governance Overview Statement

(Continued)

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 independent 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 2019, no former key audit partner has been appointed or is a Director of the Company. There are 4 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 20 to 22 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.

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 on a half yearly basis.

2. Risk Management and Internal Control Framework

The Statement on Risk Management and Internal Control is set out on page 23 to 24 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 MEANING 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.

Corporate Governance Overview Statement

(Continued)

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANING RELATIONSHIP WITH STAKEHOLDERS (Continued)

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 year ended 31 March 2019. 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 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.