

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 7217  
**COMPANY NAME** : EONMETALL GROUP BERHAD  
**FINANCIAL YEAR** : December 31, 2023

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has overall responsibility to manage the business affairs of the Company and its subsidiaries and approving all strategies, providing leadership and direction as well as management supervision. The Board ensures that Management has in place appropriate processes for management and internal controls, risk assessment and monitoring performance against agreed benchmark for the Group.</p> <p>The Board responsibilities are to ensure that the Business objectives of the Group is aligned with the expectations of Shareholders with a view to enhancing long-term Shareholders' value whilst taking into account the interests of other stakeholders and maintaining high standards of transparency, accountability and integrity.</p> <p>The Board delegates certain functions to Board Committees, the Managing Director &amp; Chief Executive Officer ("MD&amp;CEO") and the Management.</p> <p>The Board has established the Board Committees comprising the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC") to perform certain of its functions and to provide recommendations and advice.</p> <p>The MD&amp;CEO is responsible for the day-to-day management of business and operations with support from the Executive Directors, senior management team.</p> <p>During financial year ended 31 December 2023 ("FY2023"), the Board also discussed sustainability topics such as business expansion and succession planning.</p>

	<p>In accepting report on risk management, the AC noted reporting on risks which focussed on strategic, operational and financial aspects as well as mitigation of the same. Brief summary on the risk management report was given to the Board.</p> <p>The NC assists the Board to ensure that there is an effective and orderly succession plan in place for the Board, reviews existing composition for diversity in terms of gender, ethnicity as well as mix of skills / experience.</p>	
<b>Explanation for departure</b>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>		
<b>Timeframe</b>		

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

<b>Application</b>	:	Applied.	
<b>Explanation on application of the practice</b>	:	The Board is led by Tan Sri Dato' Mohd Desa Bin Pachi, the Independent Non-Executive Chairman. His profile is outlined under the Profile of Directors in the Annual Report 2023.  The Chairman of the Board and is responsible for leading the Board and ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in Board decisions.  The Chairman leads the Board in the oversight of management, ensuring adequacy and integrity of the governance process and issues, maintaining regular dialogues with MD&CEO over operational matters and seek opinion of fellow Board members over any matters that give cause for major concerns.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.3

The positions of Chairman and CEO are held by different individuals.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has always made the distinction that the position of the Chairman and MD&amp;CEO does not reside with the same person as such division further provides for organisational check and balance for better governance. There is a clear and separate division of responsibility in the roles and duties of the Chairman and CEO more particularly spelt out in the Board Charter.</p> <p>Tan Sri Dato' Mohd Desa Bin Pachi is the Independent Non-Executive Chairman of the Group, leading the Board in the oversight of management.</p> <p>Mr Yeoh Cheng Chye is the MD&amp;CEO of the Group. In this capacity, he has overall responsibilities over the daily conduct of operating units, human resource management with respect to key positions in the Group's hierarchy, financial management and business affairs. As the MD&amp;CEO, he also ensures that the Group's corporate identity, products and services are of high standard and reflective of market environment, business practices are in compliance with governmental regulations.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b> :	Applied.
<b>Explanation on application of the practice</b> :	The Chairman of the Board, Tan Sri Dato' Mohd Desa Bin Pachi is not a member of Board Committees and does not attend AC, NC or RC meetings.
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by professionally qualified and competent Company Secretaries. Both Company Secretaries of the Company are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 as they are the members of the MAICSA (Malaysian Institute of Chartered Secretaries &amp; Administrators).</p> <p>The roles and responsibilities of the Company Secretaries included coordinating with Management on the preparation of Board papers with management, ensure Board procedures and applicable rules are observed and maintaining records of the Board as well as provide timely dissemination of information relevant to the Directors' roles and functions and keeping them updated on evolving regulatory requirements.</p> <p>The Company Secretaries, or her representatives, is present at all meetings to record deliberation, issues discussed and conclusions in discharging her duties and responsibilities and also provide advice in relation to relevant guides and legislations.</p> <p>Other roles of the Company Secretaries included coordinating with Management the preparation of Board papers, ensuring Board procedures and applicable rules are observed and maintaining records of the Board as well as provide timely dissemination of information relevant to the Directors' roles and functions and keeping them updated on evolving regulatory requirements.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>The Board recognises that the decision-making process is highly dependent on the quality of information available. All the Directors have access to all information within the Group and may seek the advice of Management on matters under discussion or request further information on the Group's business activities. The Chairman, with the assistance of the Company Secretaries, ensures that all Directors have full and timely access to information with Board papers distributed in advance for meetings of the Board and Board Committees.</p> <p>The Directors, whether as full Board or in their personal capacity, may upon approval from the Board, seek independent professional advice, where necessary and under appropriate circumstances, in furtherance of their duties and to enable them to discharge their duties, at the Group's expense.</p> <p>All Board and Board Committees are provided with agenda and relevant board papers, reports including matters arising, financial, operational and regulatory compliance matter, at least 7 days prior to meetings to ensure that they have sufficient time to review and evaluate the matters to be deliberated and obtain further information, if needed, prior to meeting to expedite decision-making during meetings. Actions on all matters arising from any previous meeting are reported at the following meeting.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

**Practice 2.1**

The board has a board charter which is periodically reviewed and published on the company’s website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>The Board Charter provides structured guidance by clearly delineating the roles, duties and responsibilities of the Chairman, MD&amp;CEO, Board, Board Committees and Management. The Board Charter also includes the requirements of Directors in carrying out their leadership and supervisory role; and in discharging their duties towards the Group as well as boardroom activities.</p> <p>The Board Charter is subject to periodical review by the Board to ensure that it remains consistent with the Board’s roles and responsibilities, changing needs of the Company as well as any development in the prevailing legislation and practices.</p> <p>The Board Charter is available on the Company’s website at <a href="http://www.eonmetall.com">www.eonmetall.com</a>.</p>
<b>Explanation for departure</b>	:	  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>The Board is committed towards inculcating a corporate culture which engenders ethical conduct throughout the Group. The Board has formalised Code of Ethics and Code of Conduct setting out the standard of ethics and conduct expected from its Directors, management and employees to enhance the standards of corporate governance and corporate behaviour.</p> <p>The Code of Conduct is based on principles in relation to trust, integrity, responsibility, excellence, loyalty, commitment, dedication, discipline, diligence and professionalism. Our Code of Ethics is based on the principles of sincerity, integrity, responsibility and corporate social responsibility. The codes cover a wide range of business practices and procedures; and sets out the basic principles to guide the Group's Directors, management and employees in performing their duties so as to improve work quality, productivity and self-discipline in order to provide effective, good and quality services.</p> <p>The Board noted the importance of a code of ethics and conduct that emphasise the Group's commitment to ethical practices and compliance with the applicable laws and regulations which also governs the standards of ethics and good conduct expected from the Directors and employees of the Group. The Group has in place an Employee Handbook, which contains various human resource policies and serves as a guide for employees to ensure their actions and practices are in line with the guidelines under the Handbook.</p> <p>The Company has also adopted the Anti-Bribery and Anti-Corruption Policy ("<b>ABC Policy</b>") in compliance with the Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. The adoption of the ABC Policy signalled commitment by the Board and the Group to conduct all businesses in an honest and ethical manner requiring all Directors and employees to act professionally, fairly and with integrity in all our business dealings and relationships.</p>

	<p>The ABC Policy sets out adequate procedures designed to prevent situations in which bribery and corrupt practices may take root.</p> <p>Both Codes and ABC policy are available on the Company's website at <a href="http://www.eonmetall.com">www.eonmetall.com</a>.</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

<b>Application</b>	:	Applied.	
<b>Explanation on application of the practice</b>	:	The Company has adopted a Whistle Blower Policy. The Company has always advocated for openness and transparency in its commitment to the highest standard of integrity and accountability. All malpractices or wrongdoings reported by the whistle-blower are made to the Chairman of AC (for financial reporting, unethical or illegal conduct) or MD&CEO (for Employment-related concern) and shall be set forth in writing or verbally.  The Whistle Blower Policy is available on the Company's website at <a href="http://www.eonmetall.com">www.eonmetall.com</a> .	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

<b>Application</b>	:	Applied.	
<b>Explanation on application of the practice</b>	:	The Board recognises that sustainable development is an important and integral part of the Group's pursuit of its long-term business success.  The Board is responsible for the development of the Group's sustainability strategies. The risk management committee comprises mainly of the senior management have been entrusted to drive strategic management of material sustainability matters.  The Executive Director & Chief Operating Officer (" <b>ED&amp;COO</b> ") drives strategic management of material sustainability matters.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.2**

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	Sustainability targets, implementation strategies and measurement targets are being developed.	
		The Board will meet and discuss key sustainability matters at least once a year.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board are appraised, and they are encouraged to provide their views and opinions on any of the Group's sustainability issues.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board recognised the importance of sustainability in all its business operation and has sustainability as one of the criteria in the performance evaluations its board members.  The annual assessment and evaluation of the Directors, Board and Board Committees for FY2023 included assessment of the Board's understanding on sustainability issues that are critical to the Company's performance.  Please refer to the Sustainability Statement which outlined sustainability activities by the Group.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.5- Step Up**

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

*Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.*

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The ED&COO was appointed as the designated person on sustainability.

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC reviews annually the required mix of skills, experience and other qualities, including core competencies of the members in discharging their duties. The skills and experience of each Director is analysed, inter-alia, in the areas of business operations technical and governmental affairs and legislation. Furthermore, the NC reviews size and composition of the Board with consideration on the impact on the effective functioning of the Board.</p> <p>The NC had also reviewed and assessed the independence of the Independent Directors based on the Directors' professionalism and integrity in the decision-making process, ability to form independence judgements, as well as objectivity and clarity in deliberations in addition to the specific criteria of independence as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("<b>Bursa Securities</b>") ("<b>MMLR</b>").</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

## Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

<b>Application</b>	:	Departure												
<b>Explanation on application of the practice</b>	:													
<b>Explanation for departure</b>	:	<p>The Board had not met the composition recommended under the Malaysian Code on Corporate Governance 2021 (“MCCG”) for which INEDs are to comprise half (50%) of the Board members.</p> <p>The current composition of the Board comprised of ten (10) members: three (3) executive Board members, three (3) Non-Independent Non-Executive Directors and four (4) INEDs.</p> <table border="1"> <thead> <tr> <th>Position</th> <th>Directors</th> </tr> </thead> <tbody> <tr> <td>MD&amp;CEO</td> <td>Yeoh Cheng Chye</td> </tr> <tr> <td>Executive Director &amp; COO</td> <td>Goh Hong Kent</td> </tr> <tr> <td>Executive Director</td> <td>Dato’ Goh Cheng Huat</td> </tr> <tr> <td>Independent Non-Executive Directors</td> <td>Tan Sri Dato’ Mohd Desa Bin Pachi Chan Theng Sung Dato’ Mohammad Radhi Bin Abdul Razak Datuk Yogeesvaran A/L Kumaraguru</td> </tr> <tr> <td>Non-Independent Non-Executive Directors</td> <td>Dato’ Wahab Bin Hamid Tang Yin Kham Goh Kee Seng</td> </tr> </tbody> </table> <p>The Board is in compliance with para 15.02 of the Main Market Listing Requirements of MMLR, which requires that at least two (2) Directors or one-third (1/3) of the Board of the Company, whichever is the higher, are INEDs.</p> <p>The INEDs, with their breadth of professional background, have enabled the Board to exercise objective judgement on various issues through their sharing of impartial, objective and unbiased opinions and viewpoints.</p> <p>During the year under review, all Board Committees comprised majority INEDs.</p> <p>In both instances, the Board’s commitment towards independent view as well as check and balance is affirmed.</p>	Position	Directors	MD&CEO	Yeoh Cheng Chye	Executive Director & COO	Goh Hong Kent	Executive Director	Dato’ Goh Cheng Huat	Independent Non-Executive Directors	Tan Sri Dato’ Mohd Desa Bin Pachi Chan Theng Sung Dato’ Mohammad Radhi Bin Abdul Razak Datuk Yogeesvaran A/L Kumaraguru	Non-Independent Non-Executive Directors	Dato’ Wahab Bin Hamid Tang Yin Kham Goh Kee Seng
Position	Directors													
MD&CEO	Yeoh Cheng Chye													
Executive Director & COO	Goh Hong Kent													
Executive Director	Dato’ Goh Cheng Huat													
Independent Non-Executive Directors	Tan Sri Dato’ Mohd Desa Bin Pachi Chan Theng Sung Dato’ Mohammad Radhi Bin Abdul Razak Datuk Yogeesvaran A/L Kumaraguru													
Non-Independent Non-Executive Directors	Dato’ Wahab Bin Hamid Tang Yin Kham Goh Kee Seng													

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the MCCG's recommendation that service tenure of an INED should not exceed a cumulative or consecutive term of nine (9) years. Upon completion of the nine (9) years, an INED may continue to serve on the Board subject to the Director's re-designation as a Non-INED or the Board shall justify and seek annual shareholders' approval at the Annual General Meeting.</p> <p>Madam Tang Yin Kham and Dato' Wahab Bin Hamid were re-designated as Non-INEDs of the Company on 24 February 2023 and 1 June 2023 respectively.</p> <p>As at the date of this Statement, none of the Independent Directors have served on the Board for a cumulative or consecutive term of nine (9) years.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.4 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

*Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	This is Not Adopted in view that the Company does not fall within the definition of "Large Companies".

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supportive of diversity on the Board and in Senior Management team. The appointment of Board and Senior Management team are based on objective criteria, merit and takes into consideration for diversity in experience, skills set, age and cultural background.</p> <p>The present Directors, with their diverse background and professional specialisation, collectively bring with them a wealth of experience and expertise in areas such as general management and operations, law, commercial, finance and accounting, audit, corporate affairs, manufacturing as well as sales and marketing.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	There was an appointment of Director during financial year under review, namely for Datuk Yogeesvaran A/L Kumaraguru who was appointed on 31 May 2023 to further strengthen the composition of the Board.	
	:	The Board and the NC will consider independent sources to identify suitably qualified Directors going forward.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

## Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The profiles of Directors are published in the Annual Report. Information contained therein included age, gender, tenure of service, directorship in other companies, working experience and any conflict of interest as well as shareholding in Eonmetall.</p> <p>To ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director, a brief profile of director concerned together with disclosure of any conflict of interest and statement from the Board (on whether it supports the appointment or reappointment) will be included in the agenda of meeting.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.8**

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Datuk Yogeesvaran A/L Kumaraguru, an INED, is the Chairman of NC.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	Currently, there is 11.11% female representation on the Board with Madam Tang Yin Kham as the sole lady Director on the Board.	
		The NC and the Board will consider gender diversity as part of its future selection and will look into increasing female board representation going forward.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.10**

The board discloses in its annual report the company’s policy on gender diversity for the board and senior management.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Board is supportive of gender diversity in the Board and in its senior management team with due consideration on merited factors, such as, skills, experience, attitude and suitability of any potential candidates.</p> <p>Currently, there is 11.11% female representation on the Board and 25% of female representation in senior management team.</p> <p>The Board is of the collective opinion that there was no necessity to adopt a formal gender diversity policy as the Group is committed to provide fair and equal opportunities and nurturing diversity within the Group.</p> <p>The Board is working towards formalising a Gender Diversity Policy.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

### Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The NC systematically reviews the effectiveness of the Board and Board Committees as a whole and assesses the contribution of each individual Director on an annual basis. Additionally, the NC also reviews the required mix of skills, experience and other qualities, including core competencies of the members in discharging their duties. The skills and experience of each Director is analysed, inter-alia, in the areas of business operations technical and governmental affairs and legislation. All assessments and evaluations carried out by the NC in the discharge of all its functions are documented.</p> <p>The assessment is performed on a Board review or self-assessment basis. All Directors are provided with the same set of assessment forms for their completion. The results of all assessments and comments by Directors are summarised and tabled at the NC meeting. The Chairman of the NC will report the results and deliberate with the Board.</p> <p>The criteria used in the assessment of the Board and the Board Committees focussed on board mix and composition, quality of information and decision-making, boardroom activities, Board's relationship with management and board committees.</p> <p>The assessment of individual Director focussed on fit and proper, contribution and performance, calibre and personality, skills set and independence.</p> <p>The assessment in respect of FY2023 was carried out with the results deemed satisfactory by the Board.</p>
<b>Explanation for departure</b>	:  

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The objective of the Directors' Remuneration Policy ("<b>Policy</b>") is to attract, develop and retain high performing executive Board members required to lead and control the Group effectively. The remuneration package is designed to commensurate with the responsibilities of their positions and encourage value creation for the Group and its stakeholders. Policy is published on corporate website.</p> <p>The executive Board members played no part in deciding their remuneration and the respective Board members shall abstain from all discussion pertaining to their remuneration.</p> <p>In the case of the executive Board members, the components of the remuneration package are linked to individual and corporate performance. As for Non-Executive Directors, the level of remuneration is reflective of their experience and level of responsibilities and the onerous challenges in discharging their fiduciary duties.</p> <p>The Directors' fees reflect the broad-based role and responsibilities as well as time commitment to the Group that go with Board membership.</p> <p>The RC met once during the year to consider the remuneration package for the executive Board members as well as Directors' fees and benefits payable for the Non-Executive Directors.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The RC is empowered by the Board and its Terms of Reference ("TOR") to review proposed share option schemes, appraise performance of each individual executive Board members in proposing salary increment as well as annual bonus, considering and reviewing fringe benefits issues and to evaluate different remuneration methods and philosophies as well conducting studies of current industry practice.  The TOR of the RC is available for viewing at the Company's website at <a href="http://www.eonmetall.com">www.eonmetall.com</a> .
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.1**

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	In line with the MMLR, remuneration of the Directors has been disclosed in the Annual Report 2023.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Dato'Mohd Desa Bin Pachi	Independent Non-Executive Chairman	36	3	Input info here	Input info here	Input info here	Input info here	39	36	3	Input info here	Input info here	Input info here	Input info here	39
2	Yeoh Cheng Chye	Managing Director & Chief Executive Officer	36	6	Input info here	Input info here	Input info here	Input info here	42	36	6	863	134	Input info here	265	1,304
3	Dato' Goh Cheng Huat	Executive Director	36	3	Input info here	Input info here	Input info here	Input info here	39	36	3	1,091	172	Input info here	218	1,520
4	Goh Hong Kent	Executive Director & Chief Operating Officer	36	5	Input info here	Input info here	Input info here	Input info here	41	36	5	622	84	Input info here	208	955
5	Dato'Wahab Bin Hamid	Non-Independent Non-Executive Director	36	6	Input info here	Input info here	Input info here	Input info here	42	36	6	Input info here	Input info here	Input info here	Input info here	42
6	Tang Yin Kham	Non-Independent Non-Executive Director	36	6	Input info here	Input info here	Input info here	Input info here	42	36	6	Input info here	Input info here	Input info here	Input info here	42
7	Chan Theng Sung	Independent Non-Executive Director	54	6	Input info here	Input info here	Input info here	Input info here	60	54	6	Input info here	Input info here	Input info here	Input info here	60
8	Goh Kee Seng	Non-Independent Non-Executive Director	36	5	Input info here	Input info here	Input info here	Input info here	41	36	5	Input info here	Input info here	Input info here	Input info here	41
9	Dato' Mohammad Radhi Bin Abdul Razak	Independent Non-Executive Director	21	6	Input info here	Input info here	Input info here	Input info here	27	21	6	Input info here	Input info here	Input info here	Input info here	27
10	Datuk Yogeessvaran A/L Kumaraguru	Independent Non-Executive Director	0	3	Input info here	Input info here	Input info here	Input info here	3	0	3	Input info here	Input info here	Input info here	Input info here	3
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

### Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

### Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	Given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment and the importance of ensuring stability and continuity of business operations with a competent and experienced Management team in place, the Board takes the view that there is no necessity for the Group to disclose the names of the Company's top five Senior Management personnel who are not Directors or the CEO.	
		In general, remuneration packages for senior management comprised of salary, bonus, statutory contributions and benefits-in-kind which commensurate with scope of work, professional experience and level of skills.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.3 - Step Up**

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

**Practice 9.1**

The Chairman of the Audit Committee is not the Chairman of the board.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Mr Chan Theng Sung, an INED, is the Chairman of AC. The Chairman of the AC is not the Chairman of the Board of Directors of the Company.</p> <p>The Chairman of the Board is Tan Sri Dato' Mohd Desa Bin Pachi.</p> <p>Details on the composition and activities of the AC are outlined under the AC Report in Annual Report 2023.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	None of the members of the Board were former key audit partners. Hence, no former key audit partner is appointed to the AC. As such, there was no need to establish such policy presently. The policy will be established when the need arise in future.	
		The Board will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the AC is a former key audit partner.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC undertakes an annual assessment of the suitability and independence of the external auditors and is satisfied with the resources, technical competency and independence of the external auditors.</p> <p>The AC meets with the external auditors at least twice (2) a year to discuss their audit plan, audit findings and financial statements of the Company. At least once (1) a year and whenever necessary, the AC meets with the external auditors without the presence of executive Board members or Management personnel, to allow the AC and the external auditors to exchange independent views on matters which require the AC's attention.</p> <p>The AC has considered the non-audit services provided by the external auditors during FY2023 and concluded that the provision of these services did not compromise the external auditors' independence and objectivity. The amount of fees paid for these services was not significant when compared to the total fees paid to the external auditors.</p> <p>The external auditors have confirmed to the AC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the professional and regulatory requirements.</p> <p>A summary of activities of the AC during the financial period under review is set out in the AC Report in the Annual Report 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	The AC has not complied with this Step-Up Recommendations.  The present composition of the AC comprised solely of Non-Executive Directors with a majority independent and the Board would revisit the composition in due course.

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations. The company’s financial statement is a reliable source of information.

**Practice 9.5**

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC currently comprised of members with professional experience in financial, business and economic environment. All members are financially literate and are able to read, interpret and understand the financial statements. The diversity in skills set coupled with their financial literacy gave the AC the ability to effectively discharge their roles and responsibilities.</p> <p>He is Chartered Accountant of the Malaysian Institute of Accountants (MIA) and a member of Chartered Taxation Institute of Malaysia (CTIM).</p> <p>The members of the AC will continue to undergo training programmes from time to time to address any skills or knowledge gaps according to their needs.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 10.1

The board should establish an effective risk management and internal control framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of sound internal controls which encompass risk management practices as well as financial, operational and compliance controls. In this respect, the Board affirms its overall responsibility for the Group's systems of internal controls and risk management, and for reviewing the adequacy and integrity of those systems.</p> <p>There is a structured risk management process aimed at identifying, evaluating, controlling, monitoring and reporting of principal risks faced by the Group on an on-going basis. The Board, through the AC, constantly reviews the adequacy and integrity of financial, operational and compliance controls.</p> <p>The Statement on Risk Management and Internal Controls in the Annual Report 2023 provides an overview on the state of internal controls and risk management within the Group.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

## Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises that identification, evaluation and management of significant risks faced by the Group is an ongoing process.</p> <p>Continuous reviews are carried out by the Group's internal audit function to assess risks affecting the business and ensure that adequate and effective risk management and internal controls systems are in place. The findings of the internal audit function are reported to the AC regularly and onwards to the Board.</p> <p>The Board has received assurance from the MD&amp;CEO and ED&amp;COO that the Group's risk management and internal control have been operating adequately and effectively, in all material aspects during the financial year under review and up to the date of this Statement. Taking this assurance into consideration, the Board is of the view that the systems of internal control and the risk management is considered adequate for the Group's business operations.</p> <p>The Statement on Risk Management and Internal Control in the Annual Report 2023 provides an overview on the state of internal controls and risk management within the Group.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

**Practice 10.3 - Step Up**

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

<b>Application</b>	:	Not adopted.
<b>Explanation on adoption of the practice</b>	:	This is Not Adopted in view that the Company does not fall within the definition of "Large Companies".

### Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The internal audit function is independent of the operations of the Group, reports directly to the AC. The function is outsourced and competent consulting firm, JWC Consulting Sdn. Bhd. ("<b>JWC</b>") which is sufficiently resourced to provide the services that meet with the Group's required service level.</p> <p>The service provider has been able to provide reasonable assurance that the Group's system of internal control and risk management is satisfactory and operating effectively. The internal auditors adopt a risk-based approach towards the planning and conduct of their audits, and this is consistent with the Group's approach in designing, implementing and monitoring its internal control system.</p> <p>The findings of the internal audit function are reported to the AC regularly.</p> <p>The activities of the internal auditors during the financial period are set out in the AC Report in the Annual Report 2023.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC is assisted by the internal audit function, which is outsourced to an independent consulting firm, JWC Consulting Sdn. Bhd. (“<b>JWC</b>”). The expenses incurred for internal audit totalled RM52,000 for FY2023.</p> <p>JWC and its personnel are not related to any of the Directors of the Group and have no conflict of interest with the Group.</p> <p>Ms Wong Ai May, Joyce is the Executive Director of JWC and is the lead internal auditor responsible for the internal audit of the Group. She is a member of Institute of Internal Auditors Malaysia (“<b>IIAM</b>”), Malaysian Institute of Accountants (MIA) and Certified Practising Accountants, Australia (CPA Australia).</p> <p>The internal audit is carried out in accordance with the Internal Audit Plan as approved by the AC and all audit findings arising therefrom are reported directly to the AC. JWC adopted a risk based approach that is endorsed by the IIAM in drawing up the Internal Audit Plan and has assigned appropriate headcount to under the approved internal audit assignments in the Group.</p> <p>It is the responsibility of the internal auditors to provide the AC with independent and objective reports on the state of internal control and risk management of the various operating units within the Group and the extent of compliance of the units with the Group’s established policies and procedures as well as relevant statutory requirements. The outcome of the audit reviews demonstrated the adequacy of the identified mitigations and evaluates the effectiveness and efficiency of the controls to mitigate the risks reviewed.</p>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group is committed to maintaining regular, transparent, coherent, timely and equitable dissemination of relevant and material information on the development of the Group to shareholders and stakeholders whilst balancing commercial confidentiality and regulatory considerations.</p> <p>The Group disseminates information in relation to its financial performance, operations and corporate developments through the annual reports, quarterly reports, circulars and various announcements.</p> <p>Investors are provided with sufficient business, operational and financial information on the Group to enable them to make informed investment decisions.</p> <p>The MD&amp;CEO of the Group is the designated spokesperson for all matters related to the Group.</p> <p>The Company's website at <a href="http://www.eonmetall.com">www.eonmetall.com</a> has incorporated a tab marked as "Investor Relations" which contains vital information, including annual reports, quarterly reports and official announcements made to Bursa Securities, concerning the Group which is updated on a regular basis.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

**Practice 12.2**

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

<b>Application</b>	:	Not applicable – Not a Large Company	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	This is Not Adopted in view that the Company does not fall within the definition of "Large Companies".	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.1**

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

<b>Application</b>	:	Applied.	
<b>Explanation on application of the practice</b>	:	<p>Notice for the 20<sup>th</sup> annual general meeting (“AGM”) in 2023 was circulated to shareholders, Directors and auditors on 28 April 2023, more than 28 days prior to the AGM on 31 May 2023.</p> <p>The Company will circulate the notice of the 21<sup>st</sup> AGM to shareholders, Directors and auditors on 30 April 2024, also more than 28 days prior to the AGM scheduled on 31 May 2024.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.2**

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>All Directors attended the Extraordinary General Meeting (“EGM”) held on 3 April 2023 and 20<sup>th</sup> AGM on 31 May 2023.</p> <p>Shareholders were invited to ask questions about the resolutions being proposed before putting them to vote as well as matters relating to the Company’s operations in general. Meaningful responses were given to the questions raised.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.3**

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders’ participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

<b>Application</b>	:	Applied.	
<b>Explanation on application of the practice</b>	:	The Company convened the EGM and the 20 <sup>th</sup> AGM virtually by leveraging on technology through Remote Participation and Electronic Voting (“RPEV”) platform provided by Boardroom Smart Investor Portal.  This allowed shareholders to participate and vote during the EGM and 20 <sup>th</sup> AGM without having to be physically present at the meeting venue.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: All Directors and senior management, Joint Company Secretaries and external auditors were present during EGM and 20 <sup>th</sup> AGM to engage with shareholders to address any areas of interest or concerned brought up by the shareholders.  Shareholders are provided with avenue to post their queries to the Company whether virtually or physically.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

*Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.*

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>The EGM and the 20<sup>th</sup> AGM were conducted through live streaming via RPEV facilities through meeting platform at <a href="https://meeting.boardroomlimited.my">https://meeting.boardroomlimited.my</a>.</p> <p>Shareholders logged into the RPEV platform to submit questions.</p> <p>The questions were responded to by the Directors of the Company. In respect of the questions which were not addressed during the allocated time, the responses were incorporated into the minutes of the 20<sup>th</sup> AGM which were then made available on corporate website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.6**

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied.
<b>Explanation on application of the practice</b>	: There were 2 general meetings held in 2023: (1) EGM was held on 3 April 2023 (2) 20 <sup>th</sup> AGM held on 31 May 2023  The proceedings of the EGM and the 20 <sup>th</sup> AGM including Chairman’s address and the responses to the questions raised by the shareholders and proxies were recorded in the minutes of the EGM and the 20 <sup>th</sup> AGM.  The minutes of the EGM and the 20 <sup>th</sup> AGM were posted on the Company’s website within 30 business days from the date of said general meetings.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT  
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

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