

CORPORATE GOVERNANCE REPORT

STOCK CODE : 3565
COMPANY NAME : WCE Holdings Berhad
FINANCIAL YEAR : March 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 PERSUANT 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board ensures that strategic plan of the Company and its subsidiaries ("Group") are sustainable and, the plan supports long-term value creation on aspects of economic, social and environment.</p> <p>The Chairman ensures that decisions are taken on a sound and well-informed basis and also ensures that strategic and critical matters have been considered by the Board. He also ensures that Directors have received relevant information on a timely basis.</p> <p>The Code on Ethics and Conduct was adopted by the Group to promote a culture of good corporate governance and to reinforce ethical, prudent and professional behaviour.</p> <p>Risk Management and Internal Control Framework that encompasses the Board and senior management provides an oversight in risk management of the Group to ensure the Group's business objectives are supported by a sound strategy within an accepted level of risk appetite. The Risk Management Committee, annually submits an updated risk profile of the Group to the Audit Committee.</p> <p>The Board, through the Nomination Committee ensures the Board and senior management have the necessary skills, experience and personal attributes to carry out respective duties and responsibilities. The Nomination Committee carries out an annual evaluation of the Board and Board Committee to ascertain adequacy of required mix of skills, experience and core competencies and to identify areas for improvement.</p> <p>Proposals that require Board approval are tabled at Board meeting for discussion and adoption prior to implementation. Minutes of meeting of Board Committees are tabled for notation at Board meeting. At the recommendation of the Audit Committee, the quarterly financial reports are tabled to the Board within two months from the end of each</p>

	<p>quarter and the audited annual financial statement of the Company and Group are tabled to the Board within four months from the financial year end of the Company.</p> <p>The Annual Report is a key channel of communication with stakeholders and shareholders. Another important avenue of communication with shareholders is the Annual General Meeting of the Company.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board.</p> <p>The non-executive Chairman leads the Board by setting the tone at the top and managing the Board's effectiveness by focusing on strategy, governance and compliance. In turn, the Board monitors the functions of the Board Committees in accordance with their respective terms of reference to ensure effectiveness.</p> <p>The Chairman with the assistance of Company Secretaries sets the Board agenda for each meeting based on the dates of scheduled Board meetings in the annual meeting calendar, and the same is circulated to all the Board Members.</p> <p>The Chairman promotes a Boardroom environment that allows for expression of views, effective debate and contribution from Board members to facilitate informed decision-making by the Board.</p> <p>During deliberation at Board meetings, the Chairman provides his objective views and decisions to resolve situations when there are differing views between Board Members and the Management. The Senior Independent Director will attend to any concern relating to the Group where the Chairman and the Chief Executive Officer are conflicted.</p> <p>The Senior Independent Director and/or the Chief Executive Officer are the contact persons for reporting of any complaint and/or improper conduct by Directors, senior management or employees.</p> <p>Stakeholders can provide their views to the Senior Independent Director, at any point of time.</p> <p>The role and responsibilities of the Chairman of the Board is defined in the Board Charter and is available at www.wcehb.com.my.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The position of Chairman and CEO are held by two different individuals. The Chairman, Datuk Ir. Hamzah bin Hasan leads and manages the Board by focusing on strategy, governance and compliance whereas the Chief Executive Officer, Mr Lyndon Alfred Felix manages the business and operations of the Company and group and implements the Board's decisions.</p> <p>The role and responsibilities of the Chief Executive Officer is defined in the Board Charter and is available at www.wcehb.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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

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'.

Application	:	Applied
Explanation on application of the practice	:	The Chairman of the Board, Datuk Ir. Hamzah bin Hasan is not a member of the Audit Committee, Nomination Committee, nor the Remuneration Committee.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company Secretary is a member of both the Malaysian Institute of Certified Accountants and Malaysian Institute of Accountants, qualified to act as a company secretary under Section 235(2) of the Companies Act 2016.</p> <p>He is assisted by an outsourced professional secretarial service provider. In addition to providing an official contact point in the form of a registered office, the professional service provider assisted the Company Secretary in secretarial record keeping of statutory registers, minute books of the Group and the recording of minutes of meeting of Board and Board Committees of the Company.</p> <p>The Company Secretary manages the logistics of all Board and Board Committee meetings, ensuring proper documentation and maintenance of records.</p> <p>The Company Secretaries provide support to the Board in fulfilling its fiduciary duties and assist the Board in shaping the corporate governance of the Group, an advisory role to the Board, particularly with regard to matters on the Company's constitution, Board policies and procedures, best practices and compliance with regulatory requirements, codes and legislations.</p> <p>The Company Secretaries ensure due processes and proceedings of Annual General Meeting are in place and properly managed. During the proceeding, the Company Secretary assist the Chairman and the Board on the conduct of the meeting and also ensure that the minutes are properly recorded.</p> <p>The Company Secretaries also monitor the development of Corporate Governance and assist the Board in applying best practices to meet the Board's needs and stakeholders' expectations.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>Board meetings schedule is determined one year ahead to enable Directors to fit their schedules to the meeting dates. The calendar provides Directors with scheduled dates for meetings of the Board, Board Committees and Annual General Meeting as well as closed periods for dealings in securities of the Company by Directors / Chief Executive Officer based on the targeted date of announcement of the Group's quarterly results.</p> <p>Minutes of previous Board meeting were circulated to all Directors and the Directors were given at least five days for their perusal/comment/to seek clarification before being included onto the Board Papers.</p> <p>The Board Papers were then circulated to all Directors at least five business days before the Board meeting for confirmation at the start of the Board meeting as a correct record of proceedings of the previous Board meeting.</p> <p>Going paperless, by default, the Board papers are in pdf format and were e-mailed to all Board members. The paper version of the Board Paper will be sent to Board members that request for paper version.</p> <p>Deliberations and decisions at Board and Board Committee meetings are documented in the minutes including matters where Directors abstained from voting or deliberation.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter serves as a primary reference for prospective and existing Board members of their fiduciary duties as directors of the Company. It sets out the key values, principles and ethos of the Company.</p> <p>The Board Charter was reviewed and updated on 24 May 2022 and is available on the Company's website at www.wcehb.com.my.</p> <p>The roles and responsibilities of the Board of Directors, Senior Independent Director, Chairman and CEO are clearly outlined in the Board Charter.</p> <p>The Board is also responsible to ensure continuing education/training for the Directors to update their knowledge and enhance their skills through attendance at relevant programmes so as to enable active participation in Board deliberations.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Code of Conduct and Ethics was aimed to create a corporate culture that operates business in an ethical manner and to uphold high standard of professionalism and exemplary corporate conduct and is applicable to all Directors and employees of the Group.</p> <p>The Code of Conduct and Ethics promotes integrity and ethical conduct/behaviour in all aspects of the Group's operations including privacy and confidentiality of information, inside information and securities trading, conflict of interest, protection of assets and funds, business record and control, compliance to law, health and safety, fair and courteous behaviour. It also sets out prohibited activities or misconduct involving personal gifting, sexual harassment and outside interest.</p> <p>The reporting of unlawful or unethical behaviour is encouraged through the Whistle Blowing Policy and Procedure.</p> <p>The Code of Conduct and Ethics was reviewed on 8 July 2021 and is available on the Company's website at www.wcehb.com.my.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's Whistle Blowing Policy fosters an environment in which integrity and ethical behaviour are maintained through protocols which allow for exposure of any violations or improper conduct or wrongdoing within the Group.</p> <p>The Policy provides an avenue for directors, employees or any external party to report any breach of any law or regulation, including business principles in a safe and confidential manner. Reporting Individual who is an employee, may choose to report anonymously in good faith is protected from unfair dismissal, victimisation, demotion, suspension, intimidation or harassment, discrimination, any action causing injury, loss or damage or any other retaliatory actions by the Group.</p> <p>Reporting can be made in writing, telephone, fax or e-mail to the Audit Committee Chairman or the Chief Executive Officer.</p> <p>The Whistle Blowing Policy was reviewed on 8 July 2021 and is available on the Company's website at www.wcehb.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is cognisant of strong relationship between business and sustainability, which is increasingly influencing market decision and a driving force to the Group to address sustainability risks and revolve our business decision into achieving resilient financial impact and positive outcome on economic, environmental and social (“EES”) performance.</p> <p>The Board oversee the management of the Group’s sustainability strategy. They are supported by the Sustainability Committee spearheaded by our CEO, to oversee the Group’s objectives, policies and practices on sustainability matters. These include formulating sustainability strategies, identifying sustainability-related risks, evaluating sustainability performance targets and monitoring the implementation of sustainability approach. The Sustainability Committee is supported by the Senior Management and Heads of Department to execute sustainability related policies and practices.</p> <p>Please refer to the Group’s Sustainability Statement in the Annual Report 2023 for more information.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>Stakeholder inclusivity is an integral aspect of WCE Group's approach to sustainability. Engaging stakeholders over a wide range of issues and concerns enable the Board and Management to develop a more comprehensive perspective of materiality.</p> <p>WCE Group defines stakeholders as individuals, groups and entities that are impacted by the Group's business operations and / or, individuals, groups or entities that are capable of impacting WCE Group's business and operations. Stakeholders are prioritised based on the degree of their influence and dependence on WCE Group. The prioritisation is reassessed periodically. Stakeholders' views are also garnered in determining material sustainability matters for the Group.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group is committed towards raising awareness among our employees and business partners in managing our carbon footprint by reducing construction waste, lowering greenhouse gas (“GHG”) emissions and optimising utilisation of natural resources in all sites where we operate.</p> <p>The construction of roads, highway, buildings and other infrastructure significantly affects the environment. Its direct impacts include land use, materials and energy, which produce GHG emissions and other wastes. Electricity is mostly sourced from the national grid and used for our office premises, construction sites and toll operation. Given that a large part of the grid in Peninsular Malaysia is supplied by fossil fired coal plants, consumption of electricity indirectly contributes to GHG emissions, particularly carbon emission.</p> <p>In our journey towards carbon neutral, we have installed rooftop solar photovoltaic (“PV”) systems at our regional offices and toll plazas as the one of the initiatives that the Company embarked on.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board sets out annual performance evaluation for Board members and Senior Management by the Nomination Committee.</p> <p>The detailed assessment is facilitated internally and kept in pace with the changing business environment focussed on sustaining growth.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>On 16 January 2023, the Nomination Committee recommended the appointment of Ms Lee Chui Sum as a female Independent Non-Executive Director to the Board of Directors of the Company. The Nomination Committee also recommended her for appointment as a member of the Audit Committee.</p> <p>On 25 May 2023, the Nomination Committee:</p> <p>(a) Performed an annual evaluation on the Board, Board Committees and individual Directors. It reviewed the Board and Board Committee structure, size and composition with due regard on appropriateness, mix of skills, experience, core competencies as well as attendance record of the Directors.</p> <p>The Nomination Committee was satisfied that all the Directors had performed their roles and functions effectively and the Board Committees were effective as a whole in discharging their roles and responsibilities.</p> <p>The Nomination Committee is also satisfied on its assessment of the independence of the independent non-executive directors.</p> <p>(b) Assessed and received affirmation by way of Director's declaration of fit and proper from all Directors of the Company and a subsidiary company who will retire by rotation pursuant to the constitution of the Company and subsidiary company.</p> <p>(c) Recommended the re-designation of Datuk Oh Chong Peng ("Datuk Oh") as Non-Independent Non-Executive Director of the Company, after considering Datuk Oh's performance, commitment and contribution in terms of skills, experience and time commitment, the re-designation was recommended to take effect from 1 June 2023. Datuk Oh has achieved a tenure as an Independent Non-Executive Director of the Company for a cumulative term of more than 15 years;</p>

	<p>(d) Recommended the re-designation of Ms Lee Chui Sum as the Chairman of Audit Committee and the re-designation of Datuk Oh as a member of the Audit Committee, the re-designations were recommended to take effect from 1 June 2023;</p> <p>(e) Recommended the appointment of Ms Lee Chui Sum as a member of the Nomination Committee and the Remuneration Committee, the appointment was recommended to take effect from 1 June 2023;</p> <p>(f) Recommended the re-designation of Mr Tan Chor Teck as the Chairman of the Remuneration Committee and the re-designation of Datuk Oh as a member of the Remuneration Committee, to re-designations were recommended to take effect from 1 June 2023;</p> <p>(g) Recommended for the appointment of Mr Tan Chor Teck as a member of the Nomination Committee, the appointment was recommended to take effect from 1 June 2023; and</p> <p>(h) The Chairman of the Nomination Committee, Datuk Wira Hj Hamza bin Taib (“Datuk Wira”), having abstained from deliberation, the members of the Nomination Committee deliberated, and recommended to the following:</p> <ul style="list-style-type: none"> - the appointment of Datuk Wira as a member of the Remuneration Committee, and - the re-designation of Datuk Wira as Senior Independent Non-Executive Director. <p>The appointment and re-designation were recommended to take effect from 1 June 2023.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

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.

Application	:	Applied	
Explanation on application of the practice	:	The Board currently has eight members comprising four Independent Non-Executive Directors and four Non-Independent Non-Executive Directors.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Applied.	
Explanation on application of the practice	:	<p>The existing Independent Non-Executive Directors of the Company has a cumulative tenure of less than 9 years.</p> <p>However, the Board adopted a 12-year policy for Independent Non-Executive Directors as contained in the Board Charter.</p> <p>The Board is of the view that the ability of long serving independent directors to remain independent and to discharge their duties with integrity and competency should not be measured solely by tenure of service. The extended service should not affect their independence, as they are still able to provide independent judgment, experience and objectivity without being subordinated to operational considerations.</p> <p>They are able to ensure that the interest of all shareholders is indeed taken into account by the Board and that relevant issues are subjected to objective and impartial consideration by the Board.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>Nomination Committee takes into account the current Board diversity in experience, skill, competency, knowledge, potential contribution and including gender, ethnicity and age when seeking potential candidates. This helps to ensure an appropriate balance between the experience perspective of the long-term directors and new perspectives that bring fresh insights to the Board.</p> <p>The members of the current Board are professionals in the field of engineering, finance, accounting, economic, legal, manufacturing and experienced senior public administrator and together, they bring a wide range of competencies, capabilities, technical skills and relevant business experience to ensure that the Group continues to be a competitive leader with a strong reputation for technical and professional competence.</p> <p>To ensure that Directors have sufficient time to fulfil their roles and responsibilities effectively, the criterion determined by the Board in determining candidates for potential Directors is that they must not hold directorship of more than five public listed companies. Compliance to this criterion is expected for all Directors of the Company.</p> <p>The Nomination Committee also requires a declaration of compliance of the Company's Fit and Proper Policy by candidates to be appointed onto Board as well as Directors who are seeking appointment/election or re-election.</p>

	<p>On 16 January 2023, the Nomination Committee recommended the appointment of Ms Lee Chui Sum as a female Independent Non-Executive Director to the Board of Directors and a member of the Audit Committee of the Company, to take effect on 8 February 2023.</p> <p>On 25 May 2023 the Nomination Committee recommended her for a re-designation as Chairman of Audit Committee, recommended her for appointment as a member of the Nomination Committee and Remuneration Committee, to take effect on 1 June 2023.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>In identifying potential candidate for appointment as directors, the Nomination Committee is not limited by recommendation from existing board members, management or major shareholders. The Committee may source potential candidates from directors' registry, open advertisement or through independent search firms.</p> <p>The Nomination Committee began the process of sourcing for potential suitable female candidates conversant in the accounting / finance field and it was opportune that Ms Lee Chui Sum, a retiring non-audit practicing partner of PricewaterhouseCoopers agreed to be considered for appointment as an Independent Non-Executive Director of the Company.</p> <p>Her candidacy met the Independence criteria set by the Main Market Listing Requirements of Bursa Securities Behad.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Applied	
Explanation on application of the practice	:	The Company's Annual Report contained detailed profile of each Directors such as nationality, gender, age, tenure of service, membership in board committees, directorship in other public companies, work experiences, education background, relationship with any Director and/or major shareholders, whether there exists any conflict of interest as well as shareholdings in the securities of the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Nomination Committee consists of five members, three Independent Non-Executive Directors and two Non-Independent Non-Executive directors.</p> <p>The Chairman is Datuk Wira Hj. Hamza bin Taib, a Senior Independent Non-Executive Director.</p> <p>The membership of Nomination Committee is set out in its Terms of Reference and is available on the Company's website, www.wcehb.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Despite the departure, the Company has complied with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, upon the appointment of a female director, Ms Lee Chui Sum on 8 February 2023.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	<p>The Board believe it has achieved gender balance and diversity with the appointment of a female independent non-executive director vis-à-vis the Company's business operations / complexities.</p> <p>However, should the need arise due to changes of business environment that necessitates an increase in the number of independent directors, the Board may prioritise additional female candidates.</p>	
Timeframe	:		

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.

Application	:	Applied	
Explanation on application of the practice	:	As for senior management, although gender policy was not formalised, management has ensured all department practices gender diversity.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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>	
Application	: Applied
Explanation on application of the practice	: On 25 May 2023, the Nomination Committee satisfactorily carried out an annual evaluation to assess the performance and effectiveness of individual Directors, Board Committees and the Board of Directors. In respect of Independent Directors, the Committee assesses the independence of the Independent Directors. The assessment on individual Directors, Board of Directors and Board Committee were carried out using prescribed evaluation questionnaires and checklists, consisting mainly of Board Evaluation Form, Directors’ Self Evaluation Form and Audit Committee Members’ Self Evaluation Form. Independent Directors have additional questionnaire such as the Independent Directors’ Self Evaluation. The Nomination Committee also evaluated: (a) Effectiveness of the Audit Committee using the Audit Committee Evaluation Questionnaire; and (b) Adequacy of Board skill sets using the Board Skills Matrix Form.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a Remuneration Committee with the objective of maintaining a remuneration policy that attracts, retains, and motivates high calibre executive directors/chief executive officer and senior management. The policy is also to ensure the remuneration policy of the Group appropriately compensates the contribution of the executive directors/chief executive officer and senior management of the Group.</p> <p>The Remuneration Committee reviews the remuneration of members of the Board, Board Committees, senior management and recommends to the Board for approval.</p> <p>Terms of Reference of the Remuneration Committee is available on the Company's website, www.wcehb.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Remuneration Committee consists of five members, three Independent Non-Executive Directors and two Non-Independent Non-Executive Directors.</p> <p>The terms of reference of the Remuneration Committee were reviewed and updated on 22 February 2018 and is available on the Company's website, www.wcehb.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Applied
Explanation on application of the practice	:	The disclosure on named basis for the remuneration of individual director of the Company and Group.

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	Datuk Ir. Hamzah bin Hasan	Independent Director	213	8	0	0	0	0	221	213	11	0	0	13	0	237
2	Datuk Wira Hj. Hamza bin Taib	Independent Director	156	8	0	0	0	0	164	156	8	0	0	0	0	164
3	Lee Chui Sum	Independent Director	19	2	0	0	0	0	21	19	2	0	0	0	0	21
4	Tan Chor Teck	Independent Director	151	8	0	0	0	0	159	151	8	0	0	0	0	159
5	Datuk Oh Chong Peng	Non-Executive Non-Independent Director	200	8	0	0	0	0	208	200	8	0	0	0	0	208
6	Lee Chun Fai	Non-Executive Non-Independent Director	123	8	0	0	0	0	131	123	8	0	0	0	0	131
7	Tang King Hua	Non-Executive Non-Independent Director	151	8	0	0	0	0	159	151	11	0	0	0	0	162
8	Vuitton Pang Hee Cheah	Non-Executive Non-Independent Director	103	8	0	0	0	0	111	103	8	0	0	0	0	111
9	Dato' David Frederick Wilson	Non-Executive Non-Independent Director	0	0	0	0	0	0	0	0	2	0	0	0	0	2
9	Lyndon Alfred Felix	Executive Director	0	0	724	175	25	0	924	0	0	0	0	0	0	924
10	Gnanasekaran a/l Mariasoosay	Executive Director	0	0	0	0	0	0	0	0	0	482	140	8	87	717

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.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company had disclosed the top five senior management remuneration on aggregate basis without being named and in each successive band of RM50,000.00.	
		The Company chose not to disclose the remuneration of the individual senior management on named basis as the Company believes this information will not add to the understanding and evaluation of the Company's governance and may possibly pose security risks to the individuals.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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.

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Audit Committee, Ms Lee Chui Sum, is not the Chairman of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The terms of reference of the Audit Committee requires the observation of a cooling-off period of at least three years for a former key audit partner prior to the appointment as a member of the Audit Committee.</p> <p>The terms of reference of the Audit Committee and is available on the Company's website, www.wcehb.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Applied
Explanation on application of the practice	:	<p>Prior to the commencement of audit, the external auditors presented to the Audit Committee its Audit Plan which outlines its engagement team, audit timeline, risk assessment and audit approach and their focus on key audit matters and an update to accounting development since the previous financial year. The Audit Plan has explicit confirmation of compliance to the requirement of independence pursuant to International Standards on Auditing. Upon completion, the external auditor presented to the Audit Committee an Audit Committee Memorandum which updates the Audit Committee on the status of the audit, audit findings, potential key audit matters and outstanding matters.</p> <p>The Audit Committee also reviews the provision of non-audit services provided by the external auditors on the Company and its subsidiaries to assess if it in any way impairs their objectivity and independence as external auditor of the Company for the financial year.</p> <p>These formed part of the Audit Committee's assessment of suitability, objectivity and independence of the external auditors. Based on the outcome of its assessment, the Audit Committee decides whether or not to recommend to the Board for the shareholders' approval for the re-appointment of external auditors at the coming Annual General Meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman of the Audit Committee is a member of the Malaysian Institute of Accountants and the members of the Committee have experience and expertise in legal and financial service industry to effectively discharge their duties.</p> <p>All members of the Audit Committee have attending training programmes to keep abreast of relevant industry development and business practices in accordance to their needs.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges its responsibilities for maintaining reliable system of internal controls within the Group which covers financial controls, operational and compliance controls and risk management.</p> <p>The Audit Committee is entrusted to provide advice and assistance to the Board in fulfilling its statutory and fiduciary responsibilities relating to the Company and Group's internal audit functions, risk management and compliance systems and practices, financial statements, accounting and control systems and matters that may significantly impact the financial condition or affairs of the business.</p> <p>The Risk Management System ("RMS") is used to manage key business risks and to provide assurance to the Board and stakeholders that the risks faced by the Group are adequately and effectively managed and the shareholders' investment and the Group's assets are safeguarded. The effectiveness of the Group's RMS is reviewed and improved, both at the management and the Board levels, as and when necessary.</p> <p>The Risk Management Committee ("RMC") is chaired by the Chief Executive Officer and its members comprise senior management of the Group, reports to the Audit Committee.</p> <p>Annually, the RMC reviews responses to significant risks identified including non-compliance with applicable laws, rules, regulations and guidelines and provides assurance to the Board that processes put in place continue to operate adequately and effectively. As the business risk profile changes, new risks are introduced in the risk management process.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group has in place an established risk management framework for managing risks affecting its business and operations. Key business risks are documented in the risk profile that addresses risks to the achievement of strategic, financial and operational objectives. The risk profile lists all identified risks and thereafter assesses the likelihood of occurring and its quantitative and qualitative impact to the Group. It also lists controls and measures used to monitor and mitigate those risks.</p> <p>Principal Risk identified during the financial year were reported in the Statement of Risk Management and Internal Control in the Annual Report.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application :	Not Adopted
Explanation on adoption of the practice :	

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group's internal audit service is outsourced to a professional firm that performs reviews of business processes to assess the effectiveness of internal controls and reports to the Audit Committee.</p> <p>Internal audit plan is reviewed and approved by the Audit Committee. Details of the activities of Internal Audit function is in the Audit Committee Report of the Annual Report.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The outsourced professional firm that performs internal audit service has confirmed that it is free of any relationship or conflict of interest that could impair its objectivity and independence. The internal audit schedule in the Annual Internal Audit Plan is approved by the Audit Committee.</p> <p>The Audit Committee Report in the Annual Report provides further information of the activities of the Internal Audit service provider.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board ensures that the Company announces its quarterly results on a timely basis to the shareholders and including necessary announcements to its stakeholders.</p> <p>The Board also ensures shareholders are given opportunity to speak and seek clarification during the Company's Annual General Meeting, for effective and transparent communication with its shareholders.</p> <p>The Company also has a website at www.wcehb.com.my as an avenue to disseminate corporate and financial information.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Applied	
Explanation on application of the practice	:	The Notice of the Company's 21 st Annual General Meeting ("21 st AGM or AGM") to shareholders was dated 28 July 2022, the AGM was held on 29 August 2022, a more than 28 days' notice was given.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Applied	
Explanation on application of the practice	:	All Directors attend the Company's General Meetings. The Chairman of the Audit Committee, Nomination Committee, Remuneration Committee, Executive Committee, Risk Management Committee and Sustainability Committee were present at all of the meetings to provide response if there are any questions addressed to them.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's 21st AGM held on 29 August 2022 and the Company's Extraordinary General meeting ("EGM") held on 20 February 2023 were conducted fully virtual from a broadcast venue through live streaming to facilitate remote shareholders' participation and online electronic polling using the Remote Participation and Voting ("RPV") facilities from Metra Management Sdn Bhd ("Metra").</p> <p>Metra had put in place information security measures to prevent cyberattacks and data breaches.</p> <p>In addition, the details of arrangements for the AGM and instructions on how to register, participate and vote using the RPV facilities were included in the Administrative Guide ("Guide") for Shareholders in the Annual Report 2022 and Circular to Shareholders dated 31 January 2023 respectively. The Guide could also be downloaded from the Company's website.</p> <p>Prior to the AGM and EGM, a trial runs were conducted by Metra with participation by the Company Secretary and senior management team to ensure a smooth operations of the virtual meetings.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's 21st AGM and EGM were conducted fully virtual from a broadcast venue.</p> <p>Shareholders were encouraged to attend the meetings using the Remote Participation and Voting (RPV) facility via the Metra portal at www.metramanagement.com.my and to speak in the form of real time submission of typed texts and vote online using the electronic poll voting system.</p> <p>The Chairman, all members of the Board, Chief Executive Officer ("CEO") and Senior management team, Company Secretaries and External Auditors, in the case of EGM, Principal Adviser, Legal Advisers, Financial Adviser, Valuer and Independent Adviser also participated via video conferencing to facilitate vigorous discussion with shareholders.</p> <p>The Company's 21st AGM and EGM commenced with the Chairman giving a brief of the administrative aspects of the meetings. The Chairman informed meetings that voting on the resolution can be done at any time during the meeting when the voting session is declared opened and will remain open until declared closed. Questions can be submitted online using the Question & Answer platform at any time during the meeting. In the event, that the Company was unable to answer question due to time constraint, the Company will reply via email.</p> <p><u>Company's 21st AGM:</u></p> <p>The meeting proceeded with the General Managers presenting an update of the West Coast Expressway project and the Bandar Rimbayu development. Thereafter, the CEO read the Company's reply to queries raised the Minority Shareholders Watch Dog Group.</p> <p>The meeting then proceeded with the business of the meeting.</p>

	<p><u>Company's EGM:</u> The meeting proceeded with the Principal Adviser presenting the meeting of the salient terms of the Proposed Disposal of the Entire 40% Equity Interest in Radiant Pillar Sdn Bhd held by the Company and its subsidiaries to IJM Properties Sdn Bhd for a total cash consideration of RM494.00 million ("Proposed Disposal").</p> <p>Thereafter, the CEO read the Company's reply to queries raised the Minority Shareholders Watch Dog Group. The respective advisers also responded the queries that were directed to them.</p> <p>The meeting then proceeded with the business of the meeting.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company’s 21st AGM and the EGM (“Meetings”) were held fully virtual via the Metra portal at www.metramanagement.com.my website using the RPV facility. The conduct of the Meetings were live streamed from a broadcast venue.</p> <p>Shareholders have the option of submitting questions to the Board in advance of the Meetings via e-mail to the Company Secretary. The questions were then answered at the respective Meetings.</p> <p>During the Meetings, questions posted by shareholders through the Question-and-Answer text box of the Metra portal will be visible to all the meeting participants.</p> <p>Minutes of the Meetings together with the Company’s response to questions raised were later posted on the Company’s website.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

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>			
Application	: Applied.		
Explanation on application of the practice	:		
Explanation for departure	: The minutes of the Company's 21st AGM held on 29 August 2022, was uploaded on the Company's website on 28 September 2022.		
	The minutes of the Company EGM held on 20 February 2023, was uploaded on the Company's website on 3 April 2023.		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	: <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 100px; height: 20px;"></td><td style="width: 100px; height: 20px;"></td></tr></table>		

**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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