

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 4243  
**COMPANY NAME** : W T K Holdings Berhad  
**FINANCIAL YEAR** : December 31, 2022

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Business strategy and performance</p> <ul style="list-style-type: none"><li>● The Board of Directors ("Board") is primarily responsible for the Group's overall strategic plans for business performance, overseeing the proper conduct of business, succession planning, risk management, internal control, management information systems and communication with shareholders and stakeholders. The Board, apart from the Managing Director and Executive Directors, is not involved in the day-to-day management of the business.</li><li>● The Board is supported by the Management Committee who has the responsibilities in planning and formulating business strategies, finance, operating policies and in monitoring the achievement of the business strategies of the Group.</li><li>● The Management Committee is also entrusted with the responsibility and authority to examine particular issues and reports back to the Board with its recommendations. The Board will then independently assess the merits of the Management Committee's proposals and satisfy itself that the Management Committee had considered the appropriate elements of a strategic plan and monitors the Management Committee's success in implementing its strategy. The final decision on all significant matters proposed by the Management Committee lies with the Board as a whole. Significant matters which are reserved for Board's consideration amongst others, are financial results, declaration of dividends, material capital investment matters, acquisitions and disposals of assets or businesses and adoption of any significant change or departure in accounting policies and practices of the Company and its subsidiaries.</li></ul>

- The Board has delegated specific responsibilities to the following committees to assist the Board in overseeing the Company's affairs:-

- Audit Committee
- Board Risk Management Committee
- Nomination Committee
- Remuneration Committee

(collectively known as “Board Committees”)

The duties and responsibilities of the Board Committees are set out in the Terms of Reference of each of the Committees as approved by the Board. The Board retains full responsibility for the direction and control of the Company and the Group. The Board reviews the functions and the Terms of References of each of the Board Committees from time to time to ensure they remain consistent with the Board's objectives and in line with the applicable regulations and practices.

#### Internal controls and risk management

- The Board recognises that a sound system of internal control and risk management is an integral part of good corporate governance. The Board acknowledges its overall responsibility for the Group's internal control and risk management system to safeguard the shareholders' investment and the Group's assets. The internal control and risk management system is subject to regular evaluations on their adequacy and effectiveness by the Audit Committee.
- The internal control and risk management system covers not only financial controls but operational, management of risks and compliance controls as well. In view of the inherent limitations in any system, the internal control and risk management system is designed to manage rather than eliminate the risk of failure to achieve its corporate objectives. Accordingly, it can only provide reasonable assurance but not absolute assurance against material misstatement or loss.

#### Effective communication with stakeholders

- The Board is committed in providing effective and timely communication with its stakeholders. The Company has established a website at [www.wtkholdings.com](http://www.wtkholdings.com) where shareholders, stakeholders and other investors can have access to the Company's latest annual report, quarterly interim financial reports, announcements and circulars to shareholders. Announcements on corporate developments are made on a timely basis to Bursa Malaysia Securities Berhad (“Bursa Securities”) and these are made available to the public via Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com) as well as on the Company's website.

<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 1.2

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>	:	<p>The role of the Chairman of the Company is governed by the Board Charter, which is available on the Company's website at <a href="http://www.wtkholdings.com">www.wtkholdings.com</a>.</p> <p>The Chairman has no executive functions and is responsible for the effective overall functioning of the Board. In fulfilling this role, the Chairman:</p> <ul style="list-style-type: none"> <li>● is responsible to ensure that procedures and processes are in place to facilitate the effective conduct of business of the Board;</li> <li>● is responsible for representing the Board to the shareholders; and</li> <li>● ensures that the contents and order of agenda of meetings are appropriate and that members of the Board have the relevant papers in good time.</li> </ul> <p>The Deputy Chairman shall deputise the Chairman in the absence of the Chairman or in any role as requested by the Chairman.</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 1.3

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 positions of the Chairman and the Managing Director ("MD") are held by two different individuals.</p> <p>The roles of Chairman and the MD are distinct and separate to ensure there is a balance of power and authority. The role of Chairman and the MD are outlined in the Board Charter.</p> <p>The Chairman is responsible for instilling good corporate governance practices, providing leadership and to ensure that procedures and processes are in place to facilitate effective conduct of business of the Board.</p> <p>The task of the MD is to manage the business and operations of the Group and to implement the policies, decisions and strategies adopted by the Board.</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

<p><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></p>	
<b>Application</b>	: Departure
<b>Explanation on application of the practice</b>	:
<b>Explanation for departure</b>	: <p>The Company has a moderate sized Board comprising of three (3) Independent Directors.</p> <p>The Chairman of the Board, Tan Sri Datuk Seri Panglima Sulong Bin Matjeraie, does not assume the position of chairman of the committees except for the Nomination Committee.</p> <p>The Chairman of the committees are:</p> <ul style="list-style-type: none"> <li>(a) Audit Committee – Dr. Loh Leong Hua</li> <li>(b) Board Risk Management Committee – Ms. Law Ngi Ping</li> <li>(c) Remuneration Committee – Y.A.M. Tengku Sulaiman Shah Al-Haj Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Al-Haj</li> </ul> <p>The Chairman of the Board is conscious of his different roles in the Board and in the other committees. The Chairman of the committees had always encouraged open and constructive discussion amongst the members and all issues deliberated at the committee levels arrived at unanimously before being recommended to the Board for approval and this would have eliminated the risk of self-review.</p>
<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>	: <p>We believe that, given the diverse skills and competencies of the individual directors, especially Independent Directors, who are appointed to form a competent and strong Board, the Chairman's participation at the committee level should be determined by his ability to contribute and participate, as much as the need for objectivity.</p> <p>The Chairman of the Board and Nomination Committee, Tan Sri Datuk Seri Panglima Sulong Bin Matjeraie, is a member of the Audit Committee, Remuneration Committee and Board Risk Management Committee, and through his active participation and extensive board and corporate experience, the discussions and decisions made at these</p>

	committees have greatly benefited from his input. We believe that the Board's objectivity in receiving or assessing committees' reports has not been diminished in any way.	
<b>Timeframe</b>	:	Others  The Board will continuously review the need for applying this Practice and consider the appropriateness of compliance in the future.



### 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 a qualified Company Secretary who is qualified under Section 236 of the Companies Act 2016. The Company Secretary play a supporting and an advisory role to the Board. All Directors have full access to the advice and services of the Company Secretary to ensure effective functioning of the Board and Board Committees, adherence to Board policies and procedures at all time and compliance with relevant regulatory requirements, codes or guidance and legislations.</p> <p>The Company Secretary is responsible for the administration of the Company's secretarial practices, particularly with regards to ensure compliance with the Company's Constitution, the Board policies and procedures and the statutory and regulatory requirements.</p> <p>The Company Secretary is also the secretary for all Board Committees.</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>Formal agenda and papers for scheduled Board meetings are circulated to all Directors in advance to enable them to have sufficient time to review and seek clarifications, if required. As a general rule, Board papers are circulated for Directors' review seven (7) days prior to any scheduled Board meeting via email. Confidential or urgent papers may be presented and tabled at Board meetings under supplemental agenda.</p> <p>Minutes of a Directors' meeting would be distributed on a timely basis and thereafter for confirmation at next board meeting. The signed board minutes are entered in minutes books kept by the Company Secretary.</p> <p>All Board Committees meetings are conducted separately from Board meetings, with a reasonable period of interval given between these meetings, to ensure that each Board Committee is given time to deliberate and provide their recommendations in respect of matters presented and subsequently escalated to the Board.</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>	:	The Company's Board Charter and Term of Reference outlines amongst others, the structure, responsibilities, rights and procedures of the Board and the Board Committees.  The Board will periodically review the Board Charter and Term of Reference to ensure it remains consistent with the Board's objectives and responsibilities and all the relevant standards of corporate governance.  The Board Charter and Term of Reference are available for reference on the Company's website at <a href="http://www.wtkholdings.com">www.wtkholdings.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 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 has in place a Code of Conduct and Ethics that set out the standards of conducts and basic principles to guide the Board and employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity.</p> <p>In addition, the Directors of the Company will also continue to observe and adhere to the Directors' Code of Ethics which is embedded in the Board Charter.</p> <p>The Group has implemented the Anti-Bribery and Corruption Policy and Procedure ("ABC Policy") which reflects the Group's stand against bribery and corruption in all its business dealings, transactions and such other related activities at all times. The ABC Policy provide guidance to all directors, employees and other stakeholders of the Group concerning how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business.</p> <p>The Code of Conduct and Ethics and ABC Policy will be reviewed periodically by the Board, to ensure it remains relevant and appropriate. The details of the Code of Conduct and Ethics and ABC Policy are available for reference at the Company's website at <a href="http://www.wtkholdings.com">www.wtkholdings.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>	:		
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### 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>	:	<p>The Board is committed to maintaining the highest possible standards of ethical and legal conduct within the Group. In line with this commitment and in order to enhance good governance and transparency, a Whistleblowing Policy is adopted with the aim to provide an avenue for raising concerns related to possible improprieties in matters of financial reporting, compliance and other malpractices at the earliest opportunity, in an appropriate manner and without fear of retaliation.</p> <p>The Whistleblowing Policy also provides the contact of the Senior Independent Director, being the Audit Committee Chairman of the Company, that is, via email address available at the Company’s website, should any employees or stakeholders be in doubt of the Management’s independence and objectivity on the concerns raised. Each allegation will be dealt with fairly and equitably. The Whistleblowing Policy sets out the protection accorded to whistleblowers who disclose such irregularities in good faith.</p> <p>The Whistleblowing Policy is available for viewing at the Company’s website at <a href="http://www.wtkholdings.com">www.wtkholdings.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 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>	:	<p>The Board delegates its responsibility for the governance of sustainability including the setting of Company's sustainability strategies, priorities and targets to the Board Risk Management Committee ("BRMC"). The BRMC is supported by the Group Sustainability Committee which is headed by the Managing Director together with Executive Directors, Chief Financial Officer and key personnel from respecting operating units. The Terms of Reference of the BRMC are available at the Company's website at <a href="http://www.wtkholdings.com">www.wtkholdings.com</a>.</p> <p>The BRMC had reviewed the sustainability risks and opportunities on a quarterly basis in the BRMC 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**

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>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company adopts an open, timely and proactive approach in engagement with external stakeholders through various platforms or channels as disclosed in the Sustainability Statement in the Annual Report of the Company and Company’s website.</p> <p>Where internal stakeholders are concerned, the Company communicates its strategies, priorities and targets to its employees via meetings, internal memorandums, performance appraisals and policies and procedures.</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 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>	:	<p>The Board keeps itself apprised with sustainability developments by way of formal training, presentation of updates, structured reading and discussions. During the financial year under review, the Board members on their volition attended webinars covering a wide range of sustainability topics, including on the subject matter of climate change.</p> <p>The seminars attended by the Board members on sustainability-related issues during the financial year are as follows:</p> <ul style="list-style-type: none"><li>• Sustainability for the Palm Oil Sector</li><li>• Sustainability Charter under ESG Framework Training</li><li>• ESG and Climate Risk Impacts on the Insurance Industry</li><li>• Cooler Earth 2022 Summit</li><li>• Venture Capital Ecosystem Workshop</li><li>• Introduction to ESG and MSPO</li><li>• Go ESG ASEAN 2022 Conference</li></ul>
<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 includes sustainability agenda in the performance of its duties. This also applies to the Management, where sustainability key performance indicators are included in their performance and remuneration.  The Nomination Committee has reviewed the performance evaluations of the Board and its Management annually in addressing the Company's material sustainability risks and opportunities and concluded that the Board members have a good understanding on Environment, Social and Governance ("ESG") and sustainability related risks and opportunities.	
<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>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

## 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 Nomination Committee is responsible to assist the Board in the nomination and appointment of Directors and Committee members of the Company to achieve long-term sustainability of the Company in accordance with the Term of Reference of the Nomination Committee.</p> <p>The Nomination Committee reviews the performance of all directors including the independence (for independent directors) annually and those with satisfactory evaluation are recommended to the Board for re-election.</p> <p>The Nomination Committee opined that the performance of the Board as a whole and each individual director and key officers are consistently good and satisfactory. The Board was in a balance structure and comprises suitably qualified members with expertise in various fields, professional backgrounds, practical experiences and understanding on ESG or sustainability related issues.</p> <p>Based on the summary on assessment of independent directors, the Nomination Committee agreed that the independent directors are able to carry out their duties independently and contribute effectively to the Board and Board committees.</p> <p>During the year, the Nomination Committee had reviewed the appointment of Ms. Law Ngi Ping as the Chairman of Board Risk Management Committee in view of the retirement of an Independent Director, Mr. Alfian Bin Mohamed Basir at the 50<sup>th</sup> Annual General Meeting ("AGM") held on 15 June 2022.</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

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>	:	The Board currently has three (3) Independent Directors out of seven (7) Directors due to the retirement of an Independent Director, Mr. Alfian Bin Mohamed Basir at the 50 <sup>th</sup> AGM held on 15 June 2022.	
		The Board despite not having more than 50% of its members comprising of Independent Directors, is still an effective Board with complementary skills, core competencies and experience that could effectively be contributed to the Group.  The Board comprises four (4) Non-Executive Directors and three (3) Executive Directors. The majority Non-Executive Directors provide a check and balance to the decisions of the Executive Directors and the interests of all shareholders and stakeholders are taken into account.	
<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 5.3**

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>	:	Not applicable - Step Up 5.4 adopted	
<b>Explanation on application of the practice</b>	:		
<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.

<i>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.</i>	
<b>Application</b>	: Adopted
<b>Explanation on adoption of the practice</b>	: The Company's Board Charter stipulates that the tenure of an Independent Non-Executive Director should not exceed a cumulative term of nine (9) years.  Currently, all Independent Non-Executive Directors have served the Board for less than 9 years.



### 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 Nomination Committee is responsible for assessing and making recommendations on any new appointments to the Board and the Board Committees. In making recommendation on new appointments to the Board, the Nomination Committee will assess, amongst other criteria and with due regard to diversity, whether the potential candidate has the necessary skills, knowledge, expertise and experience, time commitment, competence, professionalism and integrity. The Nomination Committee also takes into consideration on whether the potential candidate will be a strategic and effective fit for the Board and contribute to the overall desired composition and required mix of expertise and experience on the Board.</p> <p>The appointment of senior management which is delegated to the Managing Director of the Company, are based on competencies, experience, integrity, skills set and other qualities.</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>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The proposed appointment of new member to the Board will be deliberated by the Directors based on the recommendation of the Nomination Committee.</p> <p>For the appointment of new Directors, the Nomination Committee considers shortlisted candidates based on their profiles, professional achievements and personality assessments. Appropriate candidates are sourced through recommendations as well as external search networks based on the needs of the Board. The Nomination Committee then interviews the shortlisted candidates to ensure that they are suitable and of sufficient calibre for recommendation to the Board for approval.</p> <p>The Nomination Committee is open to utilise independent sources, such as recruitment agencies to identify suitably qualified candidates whenever there is an appointment of new director to the Board.</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 5.7

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 details of the Directors' interest, position and experience are set out in the Directors' profile in the Annual Report 2022. The performance of the retiring directors is assessed by the Nomination Committee and Board before a recommendation is made to the shareholders for consideration.</p> <p>For Independent Non-Executive Directors, the Nomination Committee also assess their relationship with the Company and his/her involvement in any significant transaction with the Company that might influence, or reasonably be perceived to influence their capacity to bring an independent judgement and to act in the best interests of the Company.</p> <p>The independent directors provided confirmations that they fulfilled the criteria on independent directors as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Nomination Committee agreed that the independent directors are able to carry out their duties independently and contribute effectively to the Board and Board committees.</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>	:	<p>The Nomination Committee is chaired by an Independent Director, Tan Sri Datuk Seri Panglima Sulong Bin Matjeraie.</p> <p>The members of the Nomination Committee are Non-Executive Directors with a majority of them being Independent Directors. The Terms of Reference which include the composition, authority, duties and responsibilities are available on the Company's website at <a href="http://www.wtkholdings.com">www.wtkholdings.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

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>	:	The Company currently has two (2) female Directors and five (5) male Directors, which represents 29% women directors.	
		The Board is mindful that any gender representation should be in the best interest of the Company. Although the Company has not reached the 30% women representation target, the Board decisions are made objectively in the best interest of the Company taking into account diverse perspectives and insights. The Board is of the view that it is important to recruit and retain the best available talent regardless of gender, ethnicity and age to maximise the effectiveness of the Board.	
The Board notwithstanding the view that diversity should be in tandem with expertise, experience and skills and not gender alone acknowledges the importance of women directors in the Board.			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	The Board will give due consideration to female candidates when seeking new appointment of Directors to the Board.	
<b>Timeframe</b>	:	Others	The Board shall increase woman board representation as and when there are any suitable and qualified candidates identified.

**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 acknowledges the importance of boardroom diversity and is supportive of the recommendation of Malaysian Code on Corporate Governance 2021 to the establishment of board gender diversity policy.</p> <p>Presently, the Board does not intend to implement any policy on gender diversity of the Company or set any targets and measures to meet 30% women representation on the Board as the Board believes that the appointment of new directors and senior management should be based on the merit of the candidates as well as the required mix of skills, expertise, knowledge and experience to be brought to the Group.</p> <p>The presence of Datin Sri Annie Wong Haw Bing and Madam Law Ngi Ping reflects that the Board does not consider gender to be vetoed from Board membership and that the Board recognises the value of female members.</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 Board through the Nomination Committee, conducted the annual assessment for year 2022 on effectiveness of the Board, Board Committees, individual Directors and key officers. The annual review was carried out based on specific criteria, covering areas such as Board composition and structures, roles and responsibilities of the Board and its Committees, ESG and sustainability related matters and qualities and contribution of individual Directors. From the result of the annual assessment for year 2022, the Board concluded that the performance of the Board, Board Committees, individual Directors and key officers had been good and had been effective in their overall discharge of functions and duties.</p> <p>The Board has also undertaken an annual assessment for year 2022 on the independence of its Independent Directors, which was led by the Nomination Committee. The criteria for assessing the independence of Independent Directors includes the relationship between the Independent Director and the Company and his/her involvement in any significant transaction with the Company. The Nomination Committee and the Board have determined that its Independent Directors are able to carry out their duties independently and contribute effectively to the Board. The Independent Directors have also fulfilled the criteria of “independent director” as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and provided written confirmations on their independence to the Nomination Committee.</p> <p>The above annual assessment for year 2022 was conducted internally, facilitated by the Company Secretary. The assessment was conducted using tailor-made questionnaires which employ a rating system and were administered by the Company Secretary.</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 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 Company has established Directors' Remuneration Policies and Procedures and also, Senior Management's Remuneration Policies and Procedures, which are available at the Company's website at <a href="http://www.wtkholdings.com">www.wtkholdings.com</a>.</p> <p>Both the abovesaid policies and procedures are to be reviewed by the Board as and when required.</p> <p>The Managing Director is delegated to ensure that the remuneration packages for senior management are aligned with the Company's strategy and long term objectives.</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 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>	:	<p>The Remuneration Committee is responsible for reviewing and recommending to the Board the remuneration framework and package for Directors and senior management of the Group annually to attract and retain key personnel needed for the continual success of the Group.</p> <p>The Terms of Reference of the Remuneration Committee is available at the Company's website, <a href="http://www.wtkholdings.com">www.wtkholdings.com</a>.</p> <p>The remuneration of senior management was delegated to the Managing Director for his review and decision-making.</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**

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>	:	The detailed disclosure on named basis for the remuneration of individual directors which includes fees, salary, bonus, other remuneration and benefits in-kind in financial year ended 31 December 2022 are set out as follows:-

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 Datuk Seri Panglima Sulong Bin Matjeraie	Independent Director	108	7	-	-	-	-	115	108	7	-	-	-	-	115
2	Y.A.M. Tengku Sulaiman Shah Al-Haj Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Al-Haj	Non-Executive Non-Independent Director	78	7	-	-	-	-	85	78	7	-	-	-	-	85
3	Dato' Sri Patrick Wong Haw Yeong	Executive Director	-	7	403	34	-	52	496	-	7	1,701	261	-	168	2,137
4	Datin Sri Annie Wong Haw Bing	Executive Director	-	7	144	12	-	19	182	-	7	144	12	-	19	182
5	Lim Hong Hin	Executive Director	-	7	180	15	-	8	210	-	7	660	175	-	33	875
6	Dr. Loh Leong Hua	Independent Director	90	7	-	-	-	-	97	90	7	-	-	-	-	97
7	Law Ngi Ping	Independent Director	90	7	-	-	-	-	97	90	7	-	-	-	-	97
8	Alfian Bin Mohamed Basir	Independent Director	45	4	-	-	-	-	49	45	4	-	-	-	-	49
9	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
10	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
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>	:	<p>The Company departs from the Practice and the aggregate remuneration of the top five (5) senior management personnel is currently disclosed in the Annual Report for the financial year 2022.</p> <p>The Board believes that it is not in the best interest of the Company and of the top five (5) senior management, to disclose on named basis the top five (5) senior management's remuneration components. The reasons for not disclosing on a named basis the top five (5) senior management's remuneration components are as follows: -</p> <ul style="list-style-type: none"><li>(a) to minimise the confusion or doubt in regards to application of fairness in the level of compensation provided to the top five senior management;</li><li>(b) given the competitive human resource environment in the Company's business activities, disclosure of specific remuneration information of the top five senior management may impede the Company's ability to effectively compete for talent; and</li><li>(c) it is the best management practice to keep remuneration of all employees private and confidential.</li></ul>
<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>The Audit Committee is chaired by Dr Loh Leong Hua who is not the Chairman of the Board. The Audit Committee comprises entirely of Independent Non-Executive Directors.</p> <p>The Terms of Reference of the Audit Committee is published on the Company’s website at <a href="http://www.wtkholdings.com">www.wtkholdings.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**

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>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>None of the current members of the Audit Committee are former audit partners of the external auditors of the Company.</p> <p>The Audit Committee has a policy that requires a former audit partner to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.</p> <p>This policy is included in the Terms of Reference of the Audit Committee.</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 9.3

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 Audit Committee annually reviews the performance, suitability and independency of the external auditors and recommends to the Board on their re-appointment.</p> <p>During the financial year 2022, the Audit Committee met with the external auditors, Deloitte PLT twice in the absence of the Management. The Audit Committee has also monitored and reviewed the performance and independence of Deloitte PLT including the information presented in their Annual Transparency Report and is satisfied that the external auditor has been independent throughout the conduct of the audit process and the audit services rendered have met the quality expected by the Audit Committee.</p> <p>For the audit of the financial year ended 31 December 2022, the Audit Committee was further assured by Deloitte PLT by way of verbal and written assurance confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and 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**

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>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	All the members of the Audit Committee are Independent Directors.

### 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>	:	Collectively, the Audit Committee possesses a wide range of necessary skills to discharge its duties and is able to understand matters under the purview of the Audit Committee including financial reporting.  The members of the Audit Committee have undertaken continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules. The detail listings of the training by the Audit Committee members are disclosed in the Annual Report.
<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 Group has adopted a risk management framework that sets out the risk management governance, guidelines, processes and control responsibilities with the objective of maintaining a sound internal control system. It seeks to ensure that the Group has established the appropriate risk management infrastructure encompassing the risk identification, risk assessment, risk control and mitigation, and risk reporting and monitoring.</p> <p>The Group has also in place a system of internal control which encompasses all types of control including those of a financial, operational, environmental and compliance nature.</p> <p>The Board has established an Internal Audit Function ("IAF"), to provide independent assurance on the adequacy and effectiveness of the Group's system of internal controls and the function is centralised at the Group level. The IAF reports their findings and recommendations to the Audit Committee of the Group on a quarterly basis. However, the IAF may report to the Audit Committee on a more frequent basis if circumstances arise. The Audit Committee by reviewing the IAF and by inquiring with the Group's management, will then inform the Board on the adequacy and effectiveness of the Group's system of internal control, risk management processes and compliance framework.</p> <p>Details of the Group's overview on the state of risk management framework and internal control systems are set out in the Statement on Risk Management and Internal Control of the Company's Annual Report.</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**

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 features of the Group’s risk management and internal control framework are set out in the Statement on Risk Management and Internal Control of the Company’s Annual Report.</p> <p>The adequacy and effectiveness of the Group’s risk management and internal control framework are elaborated in the Statement on Risk Management and Internal Control of the Company’s Annual Report which are reviewed by Deloitte.</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>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Board Risk Management Committee comprises entirely of Independent Non-Executive Directors.

### 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 (“IA”) function is considered an integral part of the assurance framework and its primary function is to provide independent assessment and objective assurance on the adequacy and effectiveness of the risk, control and governance framework of the Group.</p> <p>The IA function was performed by the in-house Internal Audit Department (“IAD”)</p> <p>The internal auditors undertake regular and systematic reviews on system of internal control and governance processes to ensure reasonable assurance that such system operates satisfactorily and effectively within the respective subsidiaries across the Group.</p> <p>The details of the activities carried out by the IAD are disclosed in the Audit Committee Report of the Company’s Annual Report.</p> <p>The Head of Internal Audit is invited to attend the Audit Committee meetings to facilitate the deliberation of audit reports.</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 internal audit personnel is free from any relationships (including any family relationships with any Directors and/or major shareholders of the Group) or conflicts of interest, which could impair their objectivity and independence.</p> <p>At present, there is a total of nine (9) internal auditors with a Head of Department.</p> <p>Currently, the Head of Internal Auditor, Mr. Joshua Wong Ing Yung is an Associate Member of the Institute of Internal Auditors and he also holds a Bachelor in Business (Accounting), Swinburne University of Sarawak.</p> <p>He obtained the certification by the Institute of Certified Sustainability Practitioners (“ICSP”) as Certified Sustainability Reporting Specialist (“CSRS”) in year 2022.</p> <p>The internal audit function is carried out in accordance with the International Professional Practices Framework, promulgated by the Institute of Internal Auditors. The internal audit function is also governed by the Group’s Internal Audit Charter.</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 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 uses a number of formal channels for effective dissemination of information to the public, namely, the quarterly announcement on financial results and other announcement to Bursa Malaysia Securities Berhad, annual reports and circular to shareholders and general meetings of shareholders. The Company also maintains a website at <a href="http://www.wtkholdings.com">www.wtkholdings.com</a> where the stakeholders can have access to the Company's corporate information and announcements made by the Company.</p> <p>The AGM is the principal forum for dialogue and interaction with shareholders, and the Company has conducted the AGM virtually in year 2022. Shareholders can easily participate the meeting remotely and can submit the question electronically via Remote Participation and Voting Facilities prior to or during the meeting. The shareholders are encouraged to raise questions pertaining to issues in the Annual Report, Audited Financial Statements, Corporate Developments in the Group, the resolutions being proposed and on business of the Group in general at every AGM and Extraordinary General Meeting of the Company. The questions will be attended by the Directors during the meeting and/or emailed to the shareholders after the meeting, as the case may be.</p> <p>An overview of the Group's business and performance results over the last financial year was presented by Chief Financial Officer during the AGM. The External Auditors are present to provide professional and independent clarification on issues and concerns raised by the shareholders in connection with the audited financials. The summary of discussions was posted on the Company's website after the conclusion of the AGM.</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 12.2

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Company is not classified as a "Large Company" under the purview of Malaysian Code on Corporate Governance since its market capitalisation is less than RM2 billion.	
	:	The Board acknowledges that the integrated reporting will improve the quality of information available to investors and promotes greater transparency and accountability on the part of the Company.	
	:	The Annual Report of the Company which includes a Management Discussion and Analysis Statement as well as other comprehensive financial and non-financial information disclosures, should be able to promote the desired level of transparency and accountability to all our stakeholders.	
	:	The Board may consider adopting integrated reporting based on a globally recognised framework, if deemed necessary.	
<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>The Company despatched its notice of AGM to shareholders at least 28 days before the AGM. The notice period given is well in advance of the 21-day requirements under the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This allows additional time for shareholders to make necessary arrangement to attend and participate at the meeting.</p> <p>The notice for the AGM on 15 June 2022 was issued on 29 April 2022.</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 have always committed to attend all general meetings. These meetings are scheduled and approved by the Board. Once meeting dates have been fixed, Directors would commit themselves to attend the meetings as scheduled, save for unforeseeable circumstances that are beyond their control.</p> <p>The respective Chair of each committee are prepared to address any issues that the shareholders may raise within the scope of responsibilities of the Committees that they lead.</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>	:	<p>The Company's 50<sup>th</sup> AGM of year 2022 has been conducted fully virtual through live streaming and online remote participation and voting. The shareholders attended, spoke (in the form of real time submission of typed texts) and voted remotely using the remote participation and voting facilities provided by Tricor Investor &amp; Issuing House Services Sdn. Bhd. ("Tricor") via its TIIH Online website at <a href="https://tiih.online">https://tiih.online</a> or <a href="https://tiih.com.my">https://tiih.com.my</a>.</p> <p>Shareholders who were unable to attend the meeting via electronic voting and remote participation were allowed to appoint proxy to vote on their behalf in their absence. The virtual AGM provides the same transparency and level of participation as an in-room meeting.</p> <p>Tricor has implemented an information technology policy and information security policy, endpoint controls, data classification for cyber hygiene practices of its staff. Stress test and penetration testing have been performed on TIIH Online to test its resiliency. Furthermore, the TIIH Online is hosted in a secure cloud platform and the data center is ISO27001 certified.</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 13.4

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> :	The 50 <sup>th</sup> AGM of the Company has been conducted fully virtual on 15 June 2022. Shareholders can easily participate the meeting remotely and can submit the question electronically via Remote Participation and Voting Facilities prior to or during the meeting. All the questions raised by the attendees of the 50 <sup>th</sup> AGM have been attended by the Directors.
<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.

<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. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Company had leveraged on technology to hold its AGM fully virtual through live streaming and online meeting platform by using the Remote Participation and Voting (“RPV”) facilities provided by Tricor in Malaysia via its TIIH Online website at <a href="http://tiih.online">http://tiih.online</a> or <a href="https://tiih.com.my">https://tiih.com.my</a>.</p> <p>Tricor has provided adequate tools and infrastructure to the Company to enable its shareholders to attend, speak (in the form of real time submission of typed texts) and vote remotely at the AGM.</p> <p>Details of the procedure on the voting and participating at the AGM are provided in the Administrative Guide together with the Notice of AGM. Shareholders are encourage to pose questions and submit electronically before the AGM or use the query box to transmit questions to the Board of Directors via RPV during live streaming. The Board of Directors will endeavour to response to the relevant questions received at the AGM.</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>	:	The minutes of the 50 <sup>th</sup> AGM was published on the Company's website within 30 business days from the date of the meeting.
<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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