

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0271
COMPANY NAME : Wellspire Holdings Berhad
FINANCIAL YEAR : December 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Rule 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 Rule 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>Wellspire Holdings Berhad (“Company” or “Wellspire”) is driven by an experienced and effective Board of Directors (“the Board”) which is responsible for the stewardship and business affairs of the Company and its subsidiaries (“Group”).</p> <p>The Board is guided by its Board Charter in discharging its fiduciary duties and responsibilities. The Board Charter has clearly set out a structured guideline that includes, but not limited to the following:-</p> <ul style="list-style-type: none">• the composition of the Board;• the roles and responsibilities of Board including formal schedule of matters reserved for the Board's decision;• delegation of its authority to various Board Committees; and• Board practices pertaining to meetings, Whistle-Blowing Policy, Anti-Bribery and Anti-Corruption Policy, Code of Conduct and Ethics and Directors' Fit and Proper Policy. <p>To ensure effective discharge of its stewardship role, the Board has established three (3) Board Committees, namely Audit Committee (“AC”), Nominating and Remuneration Committee (“NRC”), and Risk Management Committee (“RMC”), to support the Board in discharging its fiduciary duties with oversight functions in selected responsibilities areas. The Board Committees are guided by their respective Terms of Reference (“TOR”) approved by the Board. The Board Committees report to the Board on matters considered and their recommendations thereon. The ultimate responsibility for the final decision on all matters, however, lies with the Board.</p> <p>The Board Charter and TOR for all Board Committees are published on the website of the Company at https://www.wellspireholdings.com.</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 1.2

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>Yang Hormat Mulia (“YHM”) Tengku Dato’ Seri Abu Bakar Ahmad Bin Tengku Tan Sri Abdullah, an Independent Non-Executive Chairman, is the Chairman of the Board. His profile can be viewed on page 12 of the Annual Report of the Company.</p> <p>The responsibilities of the Chairman, amongst others, are as follows:</p> <ul style="list-style-type: none"> • setting the Board agenda and ensuring that the Board members receive complete and accurate information in a timely manner; • leading the Board in establishing and monitoring good corporate governance practices in the Group; • leading Board meetings and discussions and acting as a facilitator at Board and ensuring appropriate level of interaction among Board members; and • representing the Board to shareholders and ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole. <p>The detailed roles and responsibilities of the Chairman of the Board are stated in the Board Charter, which is published on the website of the Company at https://www.wellspireholdings.com and is subject to periodic review.</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 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The roles of Chairman and the CEO are kept separate and distinct, with different individuals holding each position. This is to ensure accountability and maintain a balance of power and authority, preventing any one person from having unchecked decision-making authority.</p> <p>The Chairman of the Company is YHM Tengku Dato' Seri Abu Bakar Ahmad Bin Tengku Tan Sri Abdullah, an Independent Non-Executive Chairman, whilst the CEO is Mr. Mo Guopiao.</p> <p>The details of the roles and responsibilities of the Chairman and the CEO are specified in the Board Charter, which is available on the website of the Company at https://www.wellspireholdings.com and is subject to periodic review.</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

<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>	
Application :	Applied
Explanation on application of the practice :	<p>The Chairman of the Board is YHM Tengku Dato' Seri Abu Bakar Ahmad Bin Tengku Tan Sri Abdullah, an Independent Non-Executive Chairman, who is not a member of any of the Board Committees and does not participate in any of the Board Committees' meeting.</p> <p>The Company has set out in its TOR of each Board Committees that the Chairman should not be involved in the Board Committees of the Company to ensure there is check and balance as well as objectives review 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

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 Board is supported by two (2) qualified and competent Company Secretaries, namely Tan Bee Hwee (MAICSA 7021024 & SSM Practicing Certificate No. 202008001497) and Lim You Jing (MAICSA 7075638 & SSM Practicing Certificate No. 202108000369). Both Company Secretaries have the requisite credentials and are qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016 and undertake continuous professional development.</p> <p>The Company Secretaries develop Board and Board Committees' agendas and collate and distribute papers, ensure compliance with Board procedures and advise on regulatory compliance and corporate governance. The Chairman and committee chairs work alongside the Company Secretaries to set the agendas for upcoming meetings, ensuring that information shared with the Board is timely, comprehensive, and conducive to deliberate without being excessively unwieldy. All papers are required to be presented in a clear and concise format, with supporting material.</p> <p>Further, they facilitate induction programmes for Directors, assist with their training and development as required and are responsible for communications with shareholders and the organisation of the Annual General Meeting. They also ensure all Board meetings are accurately minuted and records are kept.</p> <p>All Directors have unrestricted access to the advice and services of the Company Secretaries. The Board is regularly updated and apprised by the Company Secretaries on the laws and regulations (or any amendments thereto), as well as directives issued by the regulatory authorities.</p> <p>The appointment and removal of the Company Secretaries must be approved by the Board.</p> <p>The roles and responsibilities of Company Secretaries are set out in the Board Charter, which is accessible on the Company's website at https://www.wellspireholdings.com.</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 1.6

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>The Board Charter provides that the notice of Board Meeting, detailed agenda and the supporting Board Papers should be given 5 business days prior to each Board Meeting allowing Directors sufficient time to review the same. Directors have reviewed the Board Papers at least 5 business days in advance in order to facilitate meaningful deliberation during each meeting.</p> <p>The minutes shall record the proceedings of the meeting, pertinent issues, inquiries or responses, members' suggestions and the decisions made, including whether or not any Director has abstained from voting or deliberating on a particular matter, as well as the rationale behind those decisions. Minutes of meeting have been circulated to all members of the Board in a timely manner.</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 adopted by the Board serves as a source of reference and primary guide to the Board as it sets out the role, functions, composition, operation and processes of the Board. There is a schedule of matters specifically reserved for the Board's decision set out in the Board Charter.</p> <p>The Board Charter also sets out the roles of the Chairman, the Chief Executive Officer, the Company Secretary and Executive and Non-Executive Directors.</p> <p>The Board Charter is subject to review by the Board as and when necessary to ensure it complies with all applicable laws, rules and regulations of the regulators and remains consistent with the policies and procedures of the Board. The Board Charter is accessible on the website of the Company at https://www.wellspireholdings.com.</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 Board has adopted a Directors' Code of Conduct and Business Ethics ("Codes") for its Directors, management and employees of the Group ("Parties") in discharging their duties and responsibilities. The Codes are established to serve as a guidance to these Parties to recognise and deal with ethical issues and promote the corporate culture which engenders ethical conduct that permeates throughout the Group.</p> <p>The Codes include, inter alia, matters relating to conflict of interest, proper use of Group's assets and properties, confidentiality of data, anti-money laundering and prohibited activities or misconduct.</p> <p>The Board had also established the Anti-Bribery and Anti-Corruption Policy ("ABC Policy") and the Whistleblowing Policy which aim at promoting good business practices, ethical behaviour and healthy corporate culture within the Company.</p> <p>The Board will review and update the Codes from time to time to ensure that it remains relevant and effective. The Codes are available at the website of the Company at https://www.wellspireholdings.com.</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	:		
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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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company has formalised a Whistleblowing Policy & Guidelines Document (“Whistleblowing Policy”) which is available on the website of the Company at https://www.wellspireholdings.com.</p> <p>The Whistleblowing Policy aims to provide a structured mechanism for its employees, directors and associates (“reporting individual”) to raise or report suspected and/or known misconduct, wrongdoings, corruption and instances of fraud, waste, and/or abuse involving the resources of the Company to provide reassurance that they will be protected from reprisals or victimisation for whistleblowing in good faith.</p> <p>The Whistleblowing Policy will be reviewed annually by the Executive Director, Chief Executive Officer and Management to ensure that the said policy is in accordance with Wellspire’s business environment and the relevant standards and law.</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 Company has taken steps to strengthen the Group's sustainability endeavours by identifying gaps and formulating policies in key areas. The Company established a Sustainability Policy in financial year ended 31 December 2023 ("FYE 2023") to provide a framework to address the sustainability practices for the Group. The Policy aims to, among others, promote sustainable practices and integrate the sustainability risks and opportunities into the Group's strategies to ensure Group's activities and businesses are aligned to create long-term sustainable value for the business, shareholders and other stakeholders.</p> <p>The Board has delegated to the Chief Executive Officer, to assist the Board with the strategic direction on sustainability matters while being supported by the Group's key management team. The Board will consider formalising the establishment of a Sustainability Committee in the near future.</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	:	For FYE 2023, the Company had initiated a review of the Group's business practices and identified the material topics that are relevant and aligned them with the common material matters listed by Bursa Malaysia Securities Berhad ("Bursa Securities") including those that have or is likely to have an impact from the Group's businesses. These included issues such as product quality, supply chain management, employment practices, environmental impacts as well as ethical business practices such as anti-corruption and data privacy and security. The Company has embarked to proactively measure and monitor the economic, environmental, social and governance ("EESG") performance throughout the year and aims to set clear targets and goals in the future to reinforce the Group's commitment to sustainability. Further, the Company had carried out a limited materiality assessment on a list of material issues relevant to the Group and had communicated the same to its internal and external stakeholders.
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 Board is kept abreast of the Group's sustainability efforts at Board meetings by the CEO.</p> <p>All Board members have attended the Bursa Malaysia's Mandatory Accreditation Programme ("MAP") as a mandatory program for the Directors to complete in line with the ACE Market Listing Requirements of Bursa Securities ("AMLR") prior to the Company's listing.</p> <p>The Company Secretaries will also update the Board on the changes of the AMLR upon receiving the circulars from Bursa Securities, which are relevant to the Company and provide advice on corporate disclosures and compliances which includes understanding of sustainability issues.</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>Sustainability was a topic of assessment in the Company’s 2023 Board Annual Assessment. The Board of Directors were satisfied with the Board’s responsibilities in dealing with sustainability matters, opportunities and issues.</p> <p>During the Company’s 2023 Board Annual Assessment, the Board through the NRC, had reviewed the performance of individual Directors relating to sustainability matters.</p> <p>The evaluation involves individual Directors and Board Committee members completing separate evaluation questionnaires regarding the processes of the Board and its Board Committees, their effectiveness and where improvements could be considered.</p> <p>Having considered the NRC’s evaluation, the Board is satisfied that the Directors and senior management possess the necessary skills and expertise and have sufficiently discharged their duties and responsibilities efficiently in addressing the Group’s material sustainability risks and opportunities during the FYE 2023.</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>The NRC is entrusted by the Board to annually review the required mix of skills, knowledge, qualification, experience and other requisite qualities of Director through the annual assessment of the effectiveness of the Board as a whole, its Committee and the contribution of each individual Director. This roles amongst others is stated in the NRC's TOR which is available on the Company's website at https://www.wellspireholdings.com.</p> <p>For the re-election of directors, the NRC assesses the candidate's independence in accordance with AMLR, his/her time commitment, potential contribution as well as meeting the criteria of the Directors' Fit and Proper Policy which is made available on the Company's website at https://www.wellspireholdings.com.</p> <p>The NRC will propose to the Board the re-election of directors who retire by rotation according to the Article 77(2) & (5) of the Company's Constitution, as well as the re-appointment of directors who retire in accordance with relevant sections of the Companies Act 2016. The NRC shall ensure that the annual re-election of a Director is based on satisfactory evaluation of the Director's performance and contribution to 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 5.2

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 comprises seven (7) members, made up of three (3) Executive Directors and four (4) Independent Non-Executive Directors. The Independent Non-Executive Directors constitute majority of the Board. Thus, the Company complies with Rule 15.02 of the AMLR with regards to Board's composition that a minimum of two (2) Directors or one-third (1/3) of the Board, whichever is higher, shall consist of Independent 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	:	The Company was listed on the ACE Market of Bursa Securities on 16 January 2023. None of the Independent Directors has served the Board exceeding a cumulative period of nine (9) years.	
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>The Board, assisted by the NRC, is committed to ensuring that the Board and key senior management team are sufficiently diverse and appropriately balanced.</p> <p>In making recommendation to the Board on the suitable candidature of Directors, the NRC shall assess and consider the candidates to have met all the fit and proper criteria based on, at minimum, the following:</p> <p>a) Character and integrity</p> <ul style="list-style-type: none">• Probity• Personal integrity• Financial integrity• Reputation <p>b) Experience and competence</p> <ul style="list-style-type: none">• Qualifications, training and skills• Relevant experience and expertise• Relevant past performance or track record <p>c) Time and commitment</p> <ul style="list-style-type: none">• Ability to discharge role having regard to other commitments• Participation and contribution in the Board or track record <p>The Board has adopted the Directors' Fit and Proper Policy on 18 May 2022 which is made available on the Company's website at https://www.wellspireholdings.com.</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

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>The Board through the NRC is responsible to conduct the fit and proper assessment prior to the appointment of any candidate as a Director, or making recommendation for the re-election of an existing Director. NRC shall recommend to the Board the re-election of directors who retired by rotation pursuant to the Company's Constitution and re-appointment of directors who retired pursuant to relevant sections of the Companies Act 2016. The NRC shall ensure that the annual re-election of a Director is based on satisfactory evaluation of the Director's performance and contribution to the Board.</p> <p>The NRC followed the nomination process and criteria as stated in the TOR of NRC.</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 details of Directors' age, gender, interest, qualification, position, working experience and occupation are set out in the Profile of Directors section in the Annual Report. The Board's statement and justification to support the re-election of the Directors are set out in Practice 5.1 herein and the Corporate Governance Overview Statement as enclosed in the Annual Report.
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	:	The NRC is chaired by Yang Shing Sing, an Independent Non-Executive Director.	
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	:	Applied	
Explanation on application of the practice	:	Presently, the Board comprises three (3) female Directors, namely Ms. Saranjit Wang, Ms. Fazidah Bt Zakaria and Ms Yang Shing Sing. This exceeds the required 30% women representation to 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

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	:	It is provided in the Company's Board Charter that it supports the gender boardroom diversity recommended under the Malaysian Code of Corporate Governance ("MCCG") and intends to pursue the target of 30% women Directors in line with Practice 5.9 of the MCCG. The Company has three (3) female Directors, namely Ms. Saranjit Wang, Ms. Fazidah Bt Zakaria and Ms Yang Shing Sing, which exceeds the 30% target.	
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	: <p>The NRC conducted an annual assessment of the Board effectiveness as a whole, Board Committees' effectiveness, contribution of each Director, contribution of each AC member, independence of each Independent Director and Skills-Set Requirements of the Board, in respect of the FYE 2023.</p> <p>Further, an external consultant has been engaged to assist the NRC to facilitate an objective and candid Board evaluation. The assessment criteria and outcome are as summarised below:</p> <table border="1"> <thead> <tr> <th>Evaluation</th> <th>Summary of Findings</th> </tr> </thead> <tbody> <tr> <td>Board effectiveness as a whole</td> <td>The rating was average and require improvement in time spent on moving sustainability forward and on training.</td> </tr> <tr> <td>Individual Director Self & Peer Evaluations</td> <td>Overall, the directors had performed satisfactorily.</td> </tr> <tr> <td>Board Committee effectiveness</td> <td>All Board Committees received an outstanding rating.</td> </tr> <tr> <td>AC Members' Self and Peer Evaluation</td> <td>The AC members had performed satisfactorily with the appropriate level of knowledge, skills, experience and commitment to discharge their responsibilities effectively.</td> </tr> </tbody> </table>	Evaluation	Summary of Findings	Board effectiveness as a whole	The rating was average and require improvement in time spent on moving sustainability forward and on training.	Individual Director Self & Peer Evaluations	Overall, the directors had performed satisfactorily.	Board Committee effectiveness	All Board Committees received an outstanding rating.	AC Members' Self and Peer Evaluation	The AC members had performed satisfactorily with the appropriate level of knowledge, skills, experience and commitment to discharge their responsibilities effectively.
Evaluation	Summary of Findings										
Board effectiveness as a whole	The rating was average and require improvement in time spent on moving sustainability forward and on training.										
Individual Director Self & Peer Evaluations	Overall, the directors had performed satisfactorily.										
Board Committee effectiveness	All Board Committees received an outstanding rating.										
AC Members' Self and Peer Evaluation	The AC members had performed satisfactorily with the appropriate level of knowledge, skills, experience and commitment to discharge their responsibilities effectively.										

	Independent Directors' Self-Assessment	All Independent Directors have met the criteria under the definition of "Independent Director".
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 Company's Remuneration Policies and Procedures sets out the remuneration principles and guidelines for the Board and senior management (comprising personnel from the Deputy General Manager level and above) of the Group. The said policy can be found on the Company's website: https://www.wellspireholdings.com.</p> <p>In determining the remuneration packages of directors and senior management, the NRC take into consideration the following:</p> <ul style="list-style-type: none">(a) technical competency, skills, expertise and experience;(b) qualification and professionalism;(c) integrity;(d) roles and responsibilities;(e) company's performance in managing material sustainability risks and opportunities; and(f) aligned with the business and risks strategies, and long-term objectives of the Group. <p>The NRC is also responsible to ensure fees and benefits payable to directors, and any compensation for loss of employment of Executive Directors are approved by shareholders at the General Meetings.</p> <p>Further details on duties and responsibilities of the NRC may be found in its Terms of Reference which is made available on the Company's website at https://www.wellspireholdings.com.</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	:	The NRC comprises three (3) members, all of whom are Independent Non-Executive Directors. The composition of the NRC is as follows:		
		Name	Designation	Directorship
		Yang Shing Sing	Chairperson	Independent Non-Executive Director
		Fazidah Bt Zakaria	Member	Independent Non-Executive Director
		Tang Yuen Kin	Member	Independent Non-Executive Director
		The roles and responsibilities of the NRC are set out in the NRC's TOR, which is published on the Company's website https://www.wellspireholdings.com .		
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 and breakdown of individual Director's remuneration such as fees, salary, bonus, benefits in-kind and other emoluments is made in the Corporate Governance Overview Statement in the Annual Report.

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	Mo Guopiao	Executive Director	-	40.0	240.0	80.0	-	-	360.0	-	40.0	240.0	80.0	-	-	360.0
2	Saranjit Wang	Executive Director	-	-	-	-	-	-	-	-	-	236.0	20.0	-	-	256.0
3	Kua Chin Teck	Executive Director	-	263.5	660.0	55.0	-	-	978.5	-	263.5	660.0	55.0	-	-	978.5
4	YHM Tengku Dato' Seri Abu Bakar Ahmad Bin Tengku Tan Sri Abdullah	Independent Director	54.0	10.0	-	-	-	-	64.0	54.0	10.0	-	-	-	-	64.0
5	Tang Yuen Kin	Independent Director	42.0	15.5	-	-	-	-	57.5	42.0	15.5	-	-	-	-	57.5
6	Fazidah Bt Zakaria	Independent Director	42.0	15.5	-	-	-	-	57.5	42.0	15.5	-	-	-	-	57.5
7	Yang Shing Sing	Independent Director	42.0	15.5	-	-	-	-	57.5	42.0	15.5	-	-	-	-	57.5

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	:	<p>The Company is of the view that disclosure of key senior management's remuneration component on named basis is not in the best interest of the Company due to confidentiality and sensitivity for each of their remuneration package, privacy, competition and issue of staff poaching.</p> <p>As an alternative, the Board decided to disclose the remuneration for the Group's key senior management on an unnamed basis in bands of RM50,000, as follows:</p> <table border="1" data-bbox="550 1137 1412 1317"> <thead> <tr> <th>Range of Remuneration</th> <th>No of Key Senior Management</th> </tr> </thead> <tbody> <tr> <td>RM50,000 – RM100,000</td> <td>1</td> </tr> <tr> <td>RM200,000 – RM250,000</td> <td>1</td> </tr> <tr> <td>RM350,000 – RM400,000</td> <td>1</td> </tr> </tbody> </table>		Range of Remuneration	No of Key Senior Management	RM50,000 – RM100,000	1	RM200,000 – RM250,000	1	RM350,000 – RM400,000	1
Range of Remuneration	No of Key Senior Management										
RM50,000 – RM100,000	1										
RM200,000 – RM250,000	1										
RM350,000 – RM400,000	1										
<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	:	<p>The positions of the Chairman of the Board and the AC are held by separate individuals. The Chairman of the Board is YHM Tengku Dato’ Seri Abu Bakar Ahmad Bin Tengku Tan Sri Abdullah, while the Chairman of the AC is Tang Yuen Kin.</p> <p>The Chairman of the AC has been a member of Malaysian Institute of Accountants (“MIA”) and the Malaysian Institute of Certified Public Accountants (“MICPA”) since July 2000 and May 2015 respectively. He has more than 23 years of experience in the areas of audit, accounting and finance, corporate finance and corporate planning.</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

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	:	The AC has included in its Terms of Reference the cooling off period of at least three (3) years for a former key audit partner to observe before being appointed as a member of the AC. Presently, none of the members of the AC were former audit partners.	
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>The AC is responsible for assessing the capabilities and independence of the External Auditors and to also recommend to the Board on their appointment, re-appointment or termination of their service to the Company.</p> <p>As stated in the TOR of the AC, the AC is to assess the competence, audit quality, independence and suitability of the External Auditors and the appropriateness of audit fees to support a quality audit.</p> <p>In addition, the TOR of AC include the responsibilities of AC to review the following with the external auditors and report the same to the Board:</p> <ul style="list-style-type: none"> (a) audit plan, its scope and nature; (b) audit report; (c) evaluation of the system of internal controls; (d) the assistance given by the employees to the external auditors, including any difficulties or disputes with management encountered during audit; and (e) external auditors’ management letter and management’s response thereto.
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

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	:	Adopted		
Explanation on adoption of the practice	:	As to date, the Audit Committee of the Company comprises solely of Independent Directors. The composition of the AC is as follows:-		
		Name	Designation	Directorship
		Tang Yuen Kin	Chairman	Independent Non-Executive Director
		Fazidah Bt Zakaria	Member	Independent Non-Executive Director
Yang Shing Sing	Member	Independent Non-Executive Director		

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	:	All members of the AC are financially literate and possess the necessary skills to discharge their duties and responsibilities effectively. The Chairman of AC, Tang Yuen Kin is a member of the MIA and MICPA. The qualification and experience of the AC members are disclosed in the Board's Profile in the Annual Report.	
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 assumes its overall responsibility in establishing a risk management framework and maintaining a sound system of risk management and internal control throughout the Group which provides reasonable assurance in ensuring the effectiveness and efficiency of the Group’s operations that is not limited to financial aspects of the business but also operational and regulatory compliance.</p> <p>The RMC and the AC have been entrusted by the Board in managing the risks and establishment of the internal control system and processes of the Group. The ultimate objectives are to protect the Group’s assets and safeguard shareholders’ investments.</p> <p>Any significant issue affecting the existing risks or emerging risks as well as the changes to the action plans to address the risks identified, will be discussed during the RMC meetings and brought to the attention of the Board by the Chairman of RMC.</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 Company's Risk Management policy can be viewed at https://www.wellspireholdings.com.</p> <p>The key features of the Company's risk management and internal control system together with its adequacy and effectiveness are set out in the Statement on 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	:	Adopted												
Explanation on adoption of the practice	:	<p>The Board has established a RMC which consist of the following members:-</p> <table border="1"><thead><tr><th>Name</th><th>Designation</th><th>Directorship</th></tr></thead><tbody><tr><td>Fazidah Bt Zakaria</td><td>Chairman</td><td>Independent Non-Executive Director</td></tr><tr><td>Tang Yuen Kin</td><td>Member</td><td>Independent Non-Executive Director</td></tr><tr><td>Yang Shing Sing</td><td>Member</td><td>Independent Non-Executive Director</td></tr></tbody></table> <p>The RMC is governed by the TOR of RMC and the said TOR can be viewed at https://www.wellspireholdings.com.</p>	Name	Designation	Directorship	Fazidah Bt Zakaria	Chairman	Independent Non-Executive Director	Tang Yuen Kin	Member	Independent Non-Executive Director	Yang Shing Sing	Member	Independent Non-Executive Director
Name	Designation	Directorship												
Fazidah Bt Zakaria	Chairman	Independent Non-Executive Director												
Tang Yuen Kin	Member	Independent Non-Executive Director												
Yang Shing Sing	Member	Independent Non-Executive Director												

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	:	For FYE 2023, the internal audit was carried out by ShineWing TY Teoh Risk & Governance Sdn Bhd who is tasked to carry out the internal audit activity for the Group. The internal auditor was appointed in February 2023 and reports to the AC. The internal audit plan for FYE 2023 included audit on areas such as "Sales and Receivable" and "Procurement and Payables".
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	:	The internal audit function has been outsourced to ShineWing TY Teoh Risk & Governance Sdn Bhd who is tasked to carry out the internal audit activity for the Group. The internal auditor reports to the AC. The partner in charge is Teoh Toh Soon with a qualification of Malaysian Institute of Accountant, Chartered Accountant Singapore, Chartered Accountant Malaysia and Chartered Public Accountant Australia. The internal audit team comprise 5 members, who are free from any relationships or conflicts of interest that may impair their objectivity and independence in the course of their internal audit. Internal audit function is carried out in accordance with The International Professional Practices Framework (“IPPF”) issued by Institute of Internal Auditors (“IIA”).
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 recognises and values the importance of an effective and clear communication with its shareholders as well as with its potential investors and the public. It is fully committed that the highest standard of transparency and accountability in the disclosure of pertinent information relating to the Group are adopted. To achieve this, the Company has implemented amongst others, the following:-</p> <ul style="list-style-type: none"> (a) timely release of announcements to Bursa Securities, which include quarterly financial results, material contracts awarded and any other material information that may affect investors' investment decision; (b) conducts regular dialogues with financial analysts as a means of effective communication, which enables the Board and Management to convey information relating to the Group's performance, corporate strategy and other matters affecting shareholders' interests; and (c) the Group maintains a corporate website with the intention of building communication channel between our Company with the stakeholders. Shareholder can gain access to information about the Company including the summary of the Group's investor relation activities and media releases through the Company's website at https://www.wellspireholdings.com
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

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 Company had served more than 28 days' notice for its 1 st AGM scheduled on 9 June 2023. The notice was issued on 28 th April 2023.	
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	:	The first AGM was held on 9 th June 2023 and streamed live from the Broadcast Venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. Save for the Chairman who was abroad, six members of the Board (including the Chair of each Board Committee) were physically present at the Broadcast Venue. The Chairman of the Board and the Company Secretaries had participated via video conferencing.	
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	:	The Company had conducted its 1 st AGM virtually through live streaming and online remote voting. The AGM was held on 9 th June 2023 and streamed live from the Broadcast Venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.	
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.

<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>	
Application :	Applied
Explanation on application of the practice :	<p>The Board encourages shareholders’ participation in general meetings. Hence, in providing a more efficient and convenient venue for the shareholders’ participation, the Company had conducted its 1st AGM virtually through live streaming and online remote voting. Save for the Chairman who was abroad, six members of the Board were physically present at the Broadcast Venue. The Chairman of the Board and the Company Secretaries had participated via video conferencing. The virtual AGM had enabled shareholders to participate remotely from wherever they were. Mr Kua Chin Teck chaired the meeting and had answered the questions from the shareholders.</p> <p>The Remote Participation and Voting (“RPV”) facilities provided had allowed shareholders to pose questions to the Board and Chairman of the AGM via typed text in the query box. The shareholders could also submit their questions latest by 7 June 2023 or during the “Questions and Answers” session of the AGM itself.</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	:		
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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>	
Application :	Applied
Explanation on application of the practice :	<p>The Company had conducted its 1st AGM virtually through live streaming and online remote voting. The virtual AGM had enabled shareholders to participate remotely from wherever they were. A shareholder who was not able to participate in the AGM was given the option of appointing a proxy to participate remotely and vote online on his/her behalf.</p> <p>The Remote Participation and Voting (“RPV”) facilities provided by the share registrar, Tricor via its TIIH Online website at https://tiih.online had allowed shareholders to pose questions to the Board and Chairman of the AGM via typed text in the query box. The shareholders could also submit their questions latest by 7 June 2023 or during the “Questions and Answers” session of the AGM itself.</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 13.6

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	: Departure		
Explanation on application of the practice	:		
Explanation for departure	: Minutes of the 1 st AGM was made available to shareholders later than 30 business days after the AGM on the Company's website. The Company will circulate the minutes for the 2 nd AGM within 30 business days after the AGM.		
	:		
<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="width: 100%; height: 20px;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%;"></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.

Not applicable.
