

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of WCT Holdings Berhad (“WCT” or “the Company”) recognises the importance of practising good corporate governance and is committed to applying applicable principles and recommendations as set out in the Malaysian Code on Corporate Governance 2021 (“the Code”) and the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) throughout the operations and management of WCT and its subsidiaries (“the Group”) so as to enhance the value to our shareholders and other stakeholders as well as to generate long term sustainability and growth.

This statement is made pursuant to the MMLR of Bursa Securities and is to be read together with the Corporate Governance (“CG”) Report for the application of three key principles set out in the Code and good corporate governance practices by the Company during the financial year ended 31 December 2022 and up to the date of the statement namely:

1. Principle A: Board Leadership and Effectiveness;
2. Principle B: Effective Audit and Risk Management; and
3. Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

The Board and the Group’s commitment to the above three key principles are further elaborated below and in the CG Report. The CG Report is available on the website of Bursa Securities together with the Company’s Annual Report 2022 and is also posted on the Company’s website (www.wct.com.my).

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

➤ ROLES AND RESPONSIBILITIES

The Group is led by a sound and experienced Board which plays an important role in the stewardship of its direction and operations. It focuses mainly on strategies, financial performance and critical business issues, including the following specific areas to ensure that the governance of the Group is consistently maintained:

- Reviewing business plans and direction of the Group
- Overseeing the Group’s strategic action plans
- Identifying principal risks and implementing appropriate internal control system
- Approving acquisition and divestment policy and major investment decisions
- Monitoring the performance of the Management and the Group’s principal businesses
- Upholding high standards of conduct and ethics, and promoting good corporate governance culture within the Group

The Board also adopts a well-defined framework on the various categories of matters that require the Board’s approval, endorsement or notation, as the case may be. The Board is supported by the Group Managing Director, Deputy Managing Director and the Management, whose responsibilities are to implement the Group’s strategies and manage the operations of the Group, subject to certain prescribed authority limits.

Where appropriate, matters have been delegated to the following Board Committees, all of which have written terms of reference to assist the Board in discharging its duties and responsibilities:

- (1) Audit Committee
- (2) Board Risk & Sustainability Committee
- (3) Nomination & Remuneration Committee
- (4) Options Committee

The Board receives the reports of the proceedings and deliberations of the above Committees, at its scheduled Board Committees meetings.

The Board Charter, which is made available for reference on the Company’s website at (www.wct.com.my), sets out the roles, responsibilities, functions, compositions, processes and operations of the Board as well as those functions delegated to the Board Committees and the Management of the Group and has been adopted to guide the Board to discharge its roles and responsibilities effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➤ **CODE OF CONDUCT**

In addition to the Board Charter, the Board also observes the Code of Conduct and Ethics for Company Directors and Employees. The Code of Conduct and Ethics for Company Directors provides the ground rules and guidance for the proper standard of conduct and ethical behaviour for the Board and its members, based on the principles of sincerity, integrity, responsibility and corporate social responsibility whilst a standard Code of Conduct and Ethics relating to its business operations has been adopted by the Group for all its employees.

As part of the Company's commitment against all forms of bribery and corruption, the Company has put in place the Anti-Bribery and Anti-Corruption ("ABAC") Policy and Standard Operating Procedures ("SOP") to prohibit the giving or receiving of bribes and to prohibit corrupt acts by any director of the Group ("Director"), employee of the Group ("Employee") or persons performing services for the Group.

As a commitment to continuously enhancing the Group corporate integrity management, a Group Integrity Unit ("GIU") was formed in September 2022 to oversee four (4) core activities, namely Governance, Complaint Management, Detection and Verification, and Integrity Enhancement. The GIU monitors and tracks the number of reported corruption incidents and the number of anti-corruption training conducted for employees and the Board.

The Company's Whistleblowing Policy and Procedures serve to provide an avenue and mechanism for any individual to report any concerns they may have on any suspected and/or known improper conducts, wrongdoings, corruption, fraud and/or abuse in accordance with the procedures as provided therein.

The Code of Conduct and Ethics for Company Directors and Employees, ABAC Policy and the Whistleblowing Policy are made available for reference on the Company's website at (www.wct.com.my).

➤ **BOARD COMPOSITION AND BALANCE**

Currently, the Board comprises eight (8) members, made up of three (3) Executive Directors including the Executive Chairman, the Group Managing Director, Deputy Managing Director, and five (5) Independent Non-Executive Directors.

Each of the Director's profile is presented under the section titled "Profile of Directors" in the Company's Annual Report 2022.

The current Board composition which consists of a majority of Independent Directors fully complies with the MMLR of Bursa Securities and the recommendation of the Code.

In addition to the Executive Directors who have day-to-day responsibilities for the Group's operations, the Independent Non-Executive Directors also play an important role in ensuring corporate governance and accountability are being upheld, as they provide unbiased and independent views, advice, opinions and judgments as well as provide effective check and balance in the functioning of the Board to safeguard the interests, not only of the Group but also that of the minority shareholders, employees, customers, suppliers and the communities in which the Group conducts its businesses. The Board is satisfied that the current Board composition adequately reflects the interests of the minority shareholders of the Company.

The Independent Non-Executive Directors are also actively involved in the various Board Committees. They provide broader views, independent assessments and opinions on management proposals, including any related party transactions entered into by the Group.

Currently, none of the Independent Directors has served for more than nine (9) years on the Board and the tenure of the longest serving Independent Directors is slightly more than six (6) years as at the end of the financial year ended 31 December 2022.

The role of the Chairman and the Group Managing Director of the Company are held by different individuals and their respective duties are set out in the Board Charter of the Company.

The Board is committed to greater diversity in terms of a number of aspects, including but not limited to skills, knowledge, professional/industry experiences, gender, age, cultural and educational background, ethnicity and length of service ("Diversity Perspectives"). While the ultimate decision will be based on merit and potential contribution that the selected candidate will bring to the Board and the Group to achieve its corporate and commercial goals, the Board ensures that the selection of candidates will be based on a range of Diversity Perspectives without discrimination on gender, age, religion and ethnic group when considering any director/senior management appointment.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➤ **BOARD COMPOSITION AND BALANCE** *cont'd*

The Board supports the Government's aspiration to achieve at least 30% women directors on the board of public listed companies. Where new appointments are to be made to the Board or on replacement of a Director on the Board, priority will be given to suitable women candidates to achieve at least 30% women directors on the Board. Currently, Puan Rahana Binti Abdul Rashid is the only woman Director sitting on the Board.

The Board and Senior Management Diversity Policy ("Diversity Policy") is made available for reference at (www.wct.com.my).

The Board has reviewed and is satisfied that its current size and composition are optimum and well balanced in terms of the required mix of skills, experience and core competencies for the Company's business as well as the need to safeguard the interest of the minority shareholders.

➤ **SUPPLY OF AND ACCESS TO INFORMATION**

All scheduled Board and Board Committee meetings held during the financial year were preceded by a formal agenda issued by the Company Secretary in consultation with the Chairman of the meetings. The agenda for each of the meetings are accompanied by the minutes of preceding meetings of the Board and Board Committees and may include reports on group financial performance, operational performance of its business units including overall quality and delivery of products and services, market analysis, quarterly results for announcements, internal audit and risk management reports, updates on the Group's sustainability programmes and initiatives, updates on material litigations and other relevant information. The Board papers/meeting materials, which are generally shared with and uploaded electronically five (5) business days before the meetings for timely and easy access by the Board and Board Committee members, are comprehensive and encompass all aspects of the matters being considered, enabling the Board to look at both quantitative and qualitative factors so that informed decisions may be made.

The Company Secretaries would also brief the Board on the proposed contents and timing of any material announcements by the Company before the same are released to Bursa Securities for public dissemination. The Board always has access to the advice and services of the Company Secretaries especially relating to the procedural and regulatory requirements such as companies and securities laws, corporate governance matters and the MMLR of Bursa Securities.

In addition to the above, the Board has full and unrestricted access to the advice and services of the Management and to obtain all necessary external and independent professional advice, when required, at the Company's expense.

➤ **COMMITMENT OF THE BOARD**

The Board is satisfied with the level of time committed by its members in discharging their respective duties and roles as Directors of the Company. The time commitment of the Directors was demonstrated by the attendance at the Board and Board Committees meetings during the financial year 2022. All the Directors of the Company have complied with the MMLR of Bursa Securities on the maximum number of directorships which they can hold in public listed companies.

An annual corporate meetings calendar is prepared in advance and sent to the Board before the beginning of every year which provides the scheduled meeting dates for the Board, Board Committees, the annual general meeting ("AGM") and trainings/seminars to be organised by the Company.

The Board meets at least four (4) times a year, with additional meetings to be convened as and when necessary. Issues deliberated at such meetings and the relevant decisions made are duly minuted by the Company Secretary. During the financial year ended 31 December 2022, a total of five (5) Board meetings were held where details of the attendance of the Directors at the Board Meetings are as follows:

Directors	Number of Board meetings attended in 2022
Tan Sri Lim Siew Choon	5/5
Dato' Lee Tuck Fook	5/5
Chow Ying Choon	5/5
Tan Sri Marzuki Bin Mohd Noor	5/5
Datuk Ab Wahab Bin Khalil	5/5
Dato' Ng Sooi Lin	5/5
Ng Soon Lai @ Ng Siek Chuan	5/5
Rahana Binti Abdul Rashid	5/5
Goh Chin Liong (<i>resigned on 20 April 2022</i>)	1/1
Liang Kai Chong (<i>resigned on 1 August 2022</i>)	2/2

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➤ **COMMITMENT OF THE BOARD** *cont'd*

In the intervals between scheduled Board meetings, for any exceptional matters requiring urgent Board decisions, Board approvals may be sought either via circular resolutions which are attached with sufficient and relevant information required for an informed decision to be made or via ad-hoc Board meetings to be convened. Where a potential conflict of interests arises in the Group's investments, projects or any transactions involving any of the Directors or persons deemed connected to him/her, such Director is required to declare his/her interest and abstain from further deliberation and the decision-making process.

➤ **DIRECTORS' TRAINING**

All the Directors have attended the Mandatory Accreditation Programme organised by Bursa Securities. The Directors will continue to undergo other appropriate training programmes to further enhance their knowledge and skills and to keep abreast with new developments within the industry.

Aside from the annual assessment conducted to assess the training needs of the Directors, each Director may also identify any appropriate training that enhances their effectiveness in discharging their duties as Directors. The Company Secretary facilitates the organisation of in-house training programmes as well as registration for external training programmes and seminars, if needed.

During the financial year ended 31 December 2022, the Directors of the Company have attended the following training programmes:

Tan Sri Lim Siew Choon

- Governance, Risk and Controls ("GRC") – The importance of the GRC system in business sustainability & how they are intertwined to provide reasonable assurance to the Audit Committee & Board (28 September 2022)

Dato' Lee Tuck Fook

- Rethinking Business Strategies in driving the ESG and Sustainability Agenda (3 May 2022)

Chow Ying Choon

- Governance, Risk and Controls ("GRC") – The importance of the GRC system in business sustainability & how they are intertwined to provide reasonable assurance to the Audit Committee & Board (28 September 2022)
- In-house Awareness Training on Anti-Bribery and Anti-Corruption (10 November 2022)

Tan Sri Marzuki Bin Mohd Noor*

- Governance, Risk and Controls ("GRC") – The importance of the GRC system in business sustainability & how they are intertwined to provide reasonable assurance to the Audit Committee & Board (28 September 2022)
- In-house Awareness Training on Anti-Bribery and Anti-Corruption (10 November 2022)

Datuk Ab Wahab Bin Khalil*

- Board Assessment – A key cog in an effective governance structure (29 March 2022)
- The updated Malaysian Code on Corporate Governance (4 April 2022)
- In-house Awareness Training on Anti-Bribery and Anti-Corruption (10 November 2022)

Dato' Ng Sooi Lin*

- Governance, Risk and Controls ("GRC") – The importance of the GRC system in business sustainability & how they are intertwined to provide reasonable assurance to the Audit Committee & Board (28 September 2022)
- In-house Awareness Training on Anti-Bribery and Anti-Corruption (10 November 2022)

Ng Soon Lai @ Ng Siek Chuan*

- BNM-FIDE Forum Dialogue: Climate Risk Management & Scenario Analysis (8 March 2022)
- Climate Risk Framework (21 March 2022)
- In-house Awareness Training on Anti-Bribery & Anti-Corruption (10 November 2022)
- Securities Commission's Audit Oversight Board conversation with Audit Committee – (i) Inspection Results – How Audit Committee makes use of it and (ii) Survey with Audit Committee on Transparency Reporting by Audit Committee (6 December 2022)

Puan Rahana Binti Abdul Rashid*

- Women of Substance Symposium 2021 (20 January 2022)
- The updated Malaysian Code on Corporate Governance (4 April 2022)
- In-house Awareness Training on Anti-Bribery and Anti-Corruption (15 November 2022)

* Denotes a Director who is a member of the Audit Committee

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➤ **BOARD COMMITTEES**

(A) AUDIT COMMITTEE

The composition of the Audit Committee complies with the MMLR of Bursa Securities, including the requirement that all its members are Non-Executive Directors, with Independent Non-Executive Directors forming the majority and one of the members being a qualified accountant.

The primary objective of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities relating to the Group's financial reporting and internal control systems. The Audit Committee's terms of reference are available at (www.wct.com.my) and activities during the financial year are disclosed in the Audit Committee Report found in the Company's Annual Report 2022.

The Audit Committee is able to obtain external professional advice and where necessary, invite external auditors/advisers/consultants with relevant experience to attend its meeting to provide opinions, viewpoints and clarifications.

(B) BOARD RISK & SUSTAINABILITY COMMITTEE

The Board Risk & Sustainability Committee ("BRSC") is to assist the Board in overseeing the risk management activities of the Group and approving appropriate risk management policies and risk appetite. In addition, BRSC is also responsible for overseeing sustainability-related risks and ensuring sustainability considerations are incorporated into the Group's businesses and strategies so as to create value for its businesses and stakeholders as well as to support business continuity and competitiveness, in the longer term.

The BRSC comprises no fewer than three (3) members and consists entirely of Independent Non-Executive Directors of the Company. The current members of the BRSC are as follows:-

- (i) Dato' Ng Sooi Lin
Chairman/Independent Non-Executive Director
- (ii) Tan Sri Marzuki Bin Mohd Noor
Member/Independent Non-Executive Director
- (iii) Datuk Ab Wahab Bin Khalil
Member/Independent Non-Executive Director
- (iv) Rahana Binti Abdul Rashid
Member/Independent Non-Executive Director

The terms of reference, duties and responsibilities of the BRSC are available on the Company's website (www.wct.com.my).

The BRSC meets not less than four (4) times a year. In 2022, a total of six (6) meetings were held and details of the attendance of the BRSC members are as follows:

Name	Number of BRSC meetings attended in 2022
Dato' Ng Sooi Lin	6/6
Tan Sri Marzuki Bin Mohd Noor	6/6
Datuk Ab Wahab Bin Khalil	6/6
Rahana Binti Abdul Rashid	6/6

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➤ **BOARD COMMITTEES** *cont'd*

(B) BOARD RISK & SUSTAINABILITY COMMITTEE *cont'd*

During the year under review, the BRSC reviewed and discussed the following and recommended the same for the Board's approval (where applicable):

- (i) Risk Reports and Risk Registers of the Group's business operations;
- (ii) the revised Risk Management Policy and Risk Management Framework for the inclusion of risk appetite for Economic, Environmental and Social (EES) risks;
- (iii) the report on the ABAC risks assessment and EES risks assessment reports;
- (iv) the risk exposures and assessment of corporate proposals recommended by the Management;
- (v) the Integrity Management Framework which governs the GIU's function;
- (vi) the revised Terms of Reference of BRSC for incorporation of the elements of Integrity Management and ABAC;
- (vii) the Group's sustainability initiatives and flagship programmes;
- (viii) the progress of the programmes in embedding sustainability into the Group;
- (ix) the revised Corporate Vision and Mission to embed sustainability and to ensure the established goals and strategies are supported by the revised Corporate Vision and Mission;
- (x) the Group Sustainability Framework which encompasses the targets and tangible action plans;
- (xi) the Statement on Risk Management and Internal Control and the Sustainability Statement for inclusion in the Annual Report 2021; and
- (xii) the Responsible Supply Chain Policy, Sustainable Procurement Policy, Supplier Code of Conduct and WCT Material Use Policy to facilitate the implementation of the Responsible Supply Chain for the Group.

(C) NOMINATION & REMUNERATION COMMITTEE

The current members of the Nomination & Remuneration Committee ("NRC") consist entirely of Independent Non-Executive Directors, as follows:

- (i) Datuk Ab Wahab Bin Khalil
Chairman/Independent Non-Executive Director
- (ii) Tan Sri Marzuki Bin Mohd Noor
Member/Independent Non-Executive Director
- (iii) Dato' Ng Sooi Lin
Member/Independent Non-Executive Director

The terms of reference, duties and responsibilities of the NRC are available on the Company's website (www.wct.com.my).

The NRC meets at least once a year and whenever required. In 2022, four (4) meetings were held and details of the attendance of the NRC members are as follows:

Name	Number of NRC meetings attended in 2022
Datuk Ab Wahab Bin Khalil	4/4
Tan Sri Marzuki Bin Mohd Noor	4/4
Dato' Ng Sooi Lin	4/4

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➤ **BOARD COMMITTEES** *cont'd*

(C) NOMINATION & REMUNERATION COMMITTEE *cont'd*

During the financial year ended 31 December 2022, the NRC carried out the following activities:

- (i) reviewed the annual increment and bonuses of the Employees;
- (ii) reviewed the annual increment and bonuses of all Executive Directors;
- (iii) oversight of the process of annual evaluation conducted by an independent adviser which includes the Board as a whole, committees of the Board, the individual directors and the independence of the Independent Directors;
- (iv) reviewed the assessment criteria and the scope of the Board and Board Committees evaluation for the year 2022;
- (v) annual review of the Board in respect of its size and the required mix of skills and experience;
- (vi) reviewed and recommended the re-appointment of four (4) Directors who are retiring by rotation and seeking re-election at the 11th AGM;
- (vii) reviewed the change in the composition of the Options Committee;
- (viii) reviewed and considered the Directors' Fit and Proper Policy including the fit and proper criteria and assessment form for the Directors of the Group; and
- (ix) reviewed the appointment of the Chief Executive Officer for the Engineering & Construction Division and his remuneration packages.

All recommendations of the NRC are subject to endorsements by the Board.

APPOINTMENTS AND RE-ELECTIONS TO THE BOARD

The NRC is responsible for assessing and making recommendations on any new appointments to the Board. Selection of new candidates to be considered for new appointment as Director is facilitated through recommendations from the Board members, the Management and/or through independent sources. Prior to recommending the proposed candidate to the Board for its consideration, the NRC considers and assesses the diverse set of skills, knowledge, professional/industry experience, gender, age, cultural and educational backgrounds, ethnicity and length of services of the proposed candidate in accordance with the Diversity Policy. As part of the process of appointing new Directors, the new Directors are provided with an orientation programme in order to be familiar with the operations and organisational structure of the Group.

The Company's Constitution provides that the number of Directors of the Company shall not be less than two (2) and not more than twenty (20). The Board has the power under the Company's Constitution to appoint a Director from time to time either to fill a casual vacancy or as an additional Director. Article 87 of the Company's Constitution provides that any Director so appointed shall hold office only until the next following AGM and shall then be eligible for re-election at the said AGM.

For the re-election of Directors, Article 82 of the Company's Constitution requires that the number of Directors nearest to, but not greater than one-third retire by rotation each year and being eligible, may offer themselves for re-election at the AGM. The Directors who are required to retire are those who have been longest in office since their last election. In addition, all the Directors are required to retire from office once at least every three (3) years but shall be eligible for re-election. This provides an opportunity for the shareholders to renew their mandates for the said Directors to continue to serve on the Board.

In order to ensure that each of the Directors possesses the necessary character, integrity, competence, relevant range of skills, knowledge, experience and time commitment, the Board had in June 2022 adopted a Directors' Fit and Proper policy, which serves as a guide for the NRC and the Board in their review and assessment of candidates that are to be appointed as Director as well as Directors who are seeking re-election.

The Directors who are seeking re-election at the forthcoming 12th AGM are stated in the notice of the 12th AGM. The NRC has assessed the performance of these Directors through the annual evaluation and fit and proper assessment and accordingly recommended to the Board for their re-election to be tabled for shareholders' approval at the forthcoming 12th AGM. The Board supports the re-appointment of the Directors who are seeking re-election at the forthcoming 12th AGM as they meet the criteria of character, experience, integrity, competence and time required to discharge their duties and have continued to perform effectively and demonstrated commitment to their respective roles as a Director. In addition, the Independent Directors who are seeking re-election at the forthcoming 12th AGM do not have any position or relationship that might influence, in a material respect, their capacity to bring an independent judgement on issues before the Board and to act in the best interest of the Group.

The re-election of each Director will be voted by way of separate shareholders' resolutions. To assist the shareholders in their decision, information such as the personal profile (Profile of Directors) and shareholdings in the Group (Analysis of Shareholdings) of each Director standing for re-election are furnished in the Company's Annual Report 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➤ **BOARD COMMITTEES** *cont'd*

(C) **NOMINATION & REMUNERATION COMMITTEE** *cont'd*

BOARD EVALUATION

The Board, through the NRC, shall assess and evaluate the performance and effectiveness of the Board as a whole, the Board Committees and individual Directors as well as the independence of the Independent Directors annually. The Board shall engage professional independent parties to conduct and facilitate an objective and candid board evaluation periodically or as and when the Board deems necessary.

During the year under review, Boardroom Corporate Services Sdn Bhd, an independent expert, was engaged to assess the performance of each member of the Board, the Board as a whole, Board Committees as well as the independence level of the Independent Directors ("Assessment 2022").

Based on the outcome of the Assessment 2022, the NRC and the Board were satisfied with the performance of the Board and the Board Committees as they have contributed positively and continued to operate effectively towards fulfilling their duties and responsibilities as members of the Board and Board Committees.

Some of the positive highlights from the Assessment 2022 were as follows:

- The Board has the right group of people, with appropriate diversity in terms of skills, knowledge, experience and independence elements that fit the Company's objectives and ensure an objective decision-making process;
- Directors devoted sufficient time to boardroom activities to deal with issues head-on;
- The Board and Board Committee have open and productive deliberations;
- The Board is able to conduct its proceedings in a fair and orderly manner with clear governance procedures to govern its affairs; and
- Members of the Audit Committee are able to continuously apply a critical and probing view of the Company's transactions and effectively challenge Management's assertions on the Company's financials.

The following are some of the areas for improvement identified for the Board to further enhance its effectiveness:

- Succession planning for the Board;
- To strengthen the Board's role in relation to strategy setting;
- To have sufficient understanding and knowledge of sustainability issues that are relevant to the Group and its businesses, so as to discharge their role in WCT's Environmental, Social and Governance (ESG) oversight effectively, including climate-related risks and opportunities;
- To enhance the Board's composition by giving additional consideration to the facets of diversity in gender, age etc.; and
- To enhance the skill and experience needed on the Board with strategic planning and IT backgrounds.

The results from the Assessment 2022 form the basis of the NRC's recommendation to the Board on the re-election of Directors at the forthcoming 12th AGM as well as for the Directors' further enhancement.

ASSESSMENT OF INDEPENDENT DIRECTORS

The Board acknowledges the importance of having independence and objectivity in decision-making by the Independent Directors of the Company. Assessment of the independence of the Company's Independent Directors is undertaken annually, prior to any new appointment and when any new interest or relationship develops between the Independent Director and the Company.

Based on the Assessment 2022, the NRC and the Board are satisfied with the level of independence of all the Independent Directors and are satisfied that they have fulfilled all the requirements under the MMLR of Bursa Securities and other assessment criteria of independence, and the Independent Directors have continued to demonstrate their independence through their robust discussion, engagement and bringing an independent judgment to decisions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➤ **BOARD COMMITTEES** *cont'd*

(D) OPTIONS COMMITTEE

The Options Committee had also been established by the Board to administer the Company's Employees Share Options Scheme 2013/2023 ("ESOS"), in accordance with the By-Laws of the ESOS as approved by the shareholders of the Company, amongst others, to determine participation eligibility, terms of the offers and share option allocations and to attend to such other matters as may be required subject to the ESOS's By-Laws. The current members of the Options Committee are as follows:

- (i) Ng Soon Lai @ Ng Siek Chuan
Chairman/Independent Non-Executive Director
- (ii) Dato' Lee Tuck Fook
Member/Group Managing Director
- (iii) Chow Ying Choon (appointed on 20 April 2022)
Member/Deputy Managing Director
- (iv) Goh Chin Liong (resigned on 20 April 2022)
Member/Deputy Managing Director

The Options Committee meet as and when required and no meeting was held during the financial year ended 31 December 2022.

➤ **DIRECTORS' REMUNERATION**

The objective of the Group's Remuneration Policy is to attract and retain the Directors and Senior Management who play an important role in leading and controlling the Group's operations effectively. Generally, the remuneration of each Director and Senior Management are determined based on their roles and responsibilities having regard to their merits, qualifications and competence as well as the Group's operating results, individual performance and comparable market statistics.

The Policy on Remuneration of Directors and Senior Management of the Group, which sets out the policy statements and guiding principles to determine the remuneration of the Directors and Senior Management, is in line with the best practices recommended by the Code and as prescribed under the MMLR of Bursa Securities. The said policy is available for reference on the Company's website at (www.wct.com.my).

The aggregate fees, remuneration and other emoluments received by the Directors of the Company for the financial year ended 31 December 2022 are as follows:

The Company	Salary (RM)	Fees (RM)	Bonus (RM)	Allowance (RM)	Benefits- in-kind (RM)	Other emoluments (RM)	Total (RM)
Executive Directors							
Tan Sri Lim Siew Choon	3,105,000	12,000	-	-	37,275	8,490	3,162,765
Dato' Lee Tuck Fook	2,700,000	12,000	-	-	-	4,861	2,716,861
Chow Ying Choon	2,025,000	12,000	-	-	31,150	2,676	2,070,826
Non-Executive Directors							
Tan Sri Marzuki Bin Mohd Noor	-	84,000	-	26,000	-	700	110,700
Datuk Ab Wahab Bin Khalil	-	84,000	-	25,000	-	700	109,700
Dato' Ng Sooi Lin	-	84,000	-	27,000	-	3,130	114,130
Ng Soon Lai @ Ng Siek Chuan	-	84,000	-	16,700	-	3,130	103,830
Rahana Binti Abdul Rashid	-	84,000	-	17,000	-	3,130	104,130
Total (RM)	7,830,000	456,000	-	111,700	68,425	26,817	8,492,942

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

➤ FINANCIAL REPORTING

The Board continually strives to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects, primarily through the annual financial statements and quarterly interim financial results to shareholders as well as the Chairman's Statement and Management Discussion and Analysis in the Company's Annual Report 2022.

In preparing the financial statements, the Group has adopted the applicable accounting policies which have been consistently applied and are supported by reasonable and prudent judgements and estimates by the Board. All accounting standards that the Board considers to be applicable have been adopted.

The Board is also assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required to present a set of financial statements for the Group and the Company which give a true and fair view of the state of affairs of the Group and the Company at the end of each financial year as well as the financial results and their cash flows for that financial year.

The Directors consider that in preparing the financial statements:

- the Group and the Company have used the appropriate accounting policies and such policies were consistently applied;
- reasonable and prudent judgements and estimates have been made;
- all applicable approved accounting standards in Malaysia have been adopted; and
- the financial statements have been prepared on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue to be in operations for the foreseeable future.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting records that disclose with reasonable accuracy the financial position of the Group and of the Company and which will enable them to ensure that the Financial Statements comply with the relevant provisions of the Companies Act, 2016.

The Directors also have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities, where possible.

➤ SUITABILITY AND INDEPENDENCE OF EXTERNAL AUDITORS

Through the Audit Committee, the Group has established a transparent and appropriate relationship with the Group's external Auditors in seeking professional assurance and ensuring compliance with the accounting standards in Malaysia.

The role of the Audit Committee in relation to the external Auditors can be found in the Audit Committee Report as set out in the Company's Annual Report 2022.

The Audit Committee has obtained confirmation from the external Auditors that they are and have been independent throughout the conduct of their audit engagement in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants' independence requirements.

➤ SOUND FRAMEWORK TO MANAGE RISKS

The Board acknowledges its responsibility for maintaining a sound system of internal controls to safeguard the shareholders' investment and the Group's assets. Due to limitations that are inherent in any system of internal controls, the system adopted by the Group is designed to identify, mitigate and manage rather than to fully eliminate such risks that may potentially impede the attainment of the Group's objectives.

Information on the Group's internal control system implemented during the year is presented in the Statement on Risk Management and Internal Control set out in the Company's Annual Report 2022.

➤ INTERNAL AUDIT FUNCTION

The internal audit function of the Group is carried out by the Group's Internal Audit Department ("GIA") which reports directly to the Audit Committee. The role of the GIA is to provide independent and objective reports on the effectiveness of the system of internal controls within the business units and projects of the Group to the Audit Committee. Further details of the internal audit function and the activities are set out in the Audit Committee Report of the Company's Annual Report 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

➤ **EFFECTIVE COMMUNICATION AND PROACTIVE ENGAGEMENTS WITH SHAREHOLDERS**

The Group values and strongly believes in the importance of effective communication with shareholders, potential investors and the public. This is to ensure that all shareholders, both institutional and individual investors, have full access to the relevant information disclosed by the Company. It does this through the Company's Annual Report, AGM, the Company's website (www.wct.com.my) and the timely release of all corporate announcements and quarterly interim financial results, thus providing shareholders and the investing public with an overview of the Group's performance and operations. All enquiries made are dealt with as promptly as practicable.

The Annual Report remains the Company's main source of information to the shareholders and investors while the Company's website, which has a dedicated investor relations section, is intended to provide relevant information about the Group to a wider segment of the investing public.

Any shareholder and/or stakeholder of the Group who may have concerns relating to the Group may directly convey the same to Tan Sri Marzuki Bin Mohd Noor, the Company's Senior Independent Non-Executive Director, who serves as a point of contact for shareholders and other stakeholders.

➤ **ENSURE TIMELY AND HIGH-QUALITY DISCLOSURE**

The Board recognises the importance of prompt and timely dissemination of accurate and sufficient information concerning the Company and its Group to the shareholders, investors and other stakeholders to enable them to make informed decisions.

The Company maintains the practice of releasing all requisite announcements as well as material and price-sensitive information in a timely manner to Bursa Securities in compliance with the disclosure requirements as set out in the MMLR of Bursa Securities. The Company also releases timely updates to the market and community through the Company's websites, media releases and other appropriate channels. Price-sensitive information and information that may be regarded as undisclosed material information about the Group is, however, not disclosed until after the requisite announcement to Bursa Securities has been made.

➤ **THE AGM**

The AGM of the Company is used as a forum for communication with its shareholders. All shareholders are encouraged to attend the AGM which is usually held within the Klang Valley and is easily accessible by the shareholders. In light of the COVID-19 pandemic, the Company conducted a fully virtual 11th AGM on 15 June 2022 as a precautionary measure to curb the spread of COVID-19. During the 11th AGM, a presentation was given by the Senior Management to the shareholders on the Group's strategies, performance and latest developments including the Company's responses to the questions raised by the Minority Shareholders Watch Group (MSWG), on behalf of the minority shareholders of the Company. The Board encourages participation from shareholders by having a question and answer session during the AGM whereby the shareholders may channel their queries relating to the audited financial statements of the Group and the Company to the Company's External Auditors and may discuss the Group's performance and its business activities with the Directors and the Management of the Company. Each item of special business included in the notice of the general meeting is accompanied by an explanation of the effects of a proposed resolution. Separate resolutions are proposed for substantially separate issues at the general meeting and the Chairman would declare the number of proxy votes received, both for and against each separate resolution where appropriate.

Pursuant to Paragraph 8.29A of the MMLR of Bursa Securities, any resolution set out in the notice of any general meeting shall be voted by poll. As such, all resolutions proposed at the forthcoming 12th AGM of the Company scheduled to be held on 15 June 2023 will be voted by poll. An Independent Scrutineer will be appointed by the Company to verify the results of the poll at the AGM.

➤ **INVESTOR RELATIONS**

Another important channel of communication with shareholders, investors and the general investment community, both locally and internationally, is the Group's investor relations activities. The Company conducts regular briefings with financial analysts and fund managers from time to time as a means of maintaining and improving investor relationships. At least four (4) analyst briefings are held each year, usually to coincide with the release of the Group's quarterly interim financial results. Additional engagements with any individual or group of analysts and fund managers may be held on an ad hoc basis as and when requested. A press conference is normally held after the AGM or any Extraordinary General Meeting of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS *cont'd*

➤ **INVESTOR RELATIONS** *cont'd*

Below is a summary of the investor relations activities undertaken during the financial year ended 31 December 2022:

	Total
Meetings/Conference calls with investors, analysts and fund managers	2
Investors briefings	4

The Group's website (www.wct.com.my) has a section dedicated to investor relations and provides up-to-date information on the Group's businesses and operations. Presentations made to analysts and fund managers are also posted on this section of the Company's website. Further enquiries on all investor-related matters may be directed to the following person:

Ms Lo Wei Teing
 Assistant General Manager
 Corporate Affairs and Sustainability
 Tel : +603 7806 6608
 Email : wei-teing.lo@wct.my

The Board is fully committed to complying with the principles, recommendations and best practices set out in the Code and the MMLR of Bursa Securities, where applicable. Moving forward, the Board will continue to enhance the corporate governance practices applied throughout the Group's business units as well as to work towards the requirements of Bursa Securities pertaining to the enhanced disclosure on sustainability in particular the Task Force on Climate-related Financial Disclosure (TCFD) and the IT transformation and digitalisation for the Group.

(This Corporate Governance Overview Statement has been approved by the Board of Directors on 20 April 2023)