

## 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 apply applicable principles and recommendations as set out in the Malaysian Code on Corporate Governance 2017 (“the Code”) and the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) throughout the Group’s operations and management 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 2019. The CG Report is available on the website of Bursa Securities together with the Company’s Annual Report 2019 and is also posted on the Company’s website ([www.wct.com.my](http://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 or ethics and promote 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, Executive Directors 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. The Board receives the reports of their proceedings and deliberations at its scheduled Board Committees meetings:

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

The Board Charter, which was last reviewed in June 2020, set 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 WCT Group, has been adopted to guide the Board to discharge its roles and responsibilities effectively.

The Board Charter, which is reviewed and updated periodically by the Board, is made available for reference in the Company’s website at ([www.wct.com.my](http://www.wct.com.my)).

From time to time, where appropriate, the Board would issue policy statements and set guideline, policies and principles on corporate governance matters affecting the Group. The following are some of the key policies which have been approved and adopted by the Board:-

- Policy and Procedures on Whistleblowing (approved in 2017); and
- Risk Management Policy and Framework (approved in 2018).

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During the financial year ended 31 December 2019, no new policy has been approved nor adopted by the Board. For the current financial year ending 31 December 2020, the Board has approved for adoption the following new policies:-

- Policy on Anti-Bribery & Anti-Corruption (approved in March 2020);
- Policy & Procedures on Remuneration of Directors and Senior Management of the Group (approved in May 2020);
- Policy on Board Diversity (approved in May 2020); and
- Policy on Assessment of External Auditors (approved in June 2020).

## ➤ **CODE OF CONDUCT**

Apart from Board Charter, the Board has observed the Code of Ethics for Company Directors and employees of which are available on the Company's website at ([www.wct.com.my](http://www.wct.com.my)).

The Code of Ethics for Company Directors provides the ground rules and guidance for 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 WCT Group for all its employees. New employees are briefed on the WCT Code of Ethics upon joining and are required to acknowledge in writing their acceptance and understanding thereof.

## ➤ **BOARD COMPOSITION AND BALANCE**

The Board currently comprise nine (9) members, made up of the four (4) Executive Directors including the Executive Chairman, the Group Managing Director, the Deputy Managing Director, an Executive 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 2019.

The current Board composition which consist of a majority of Independent Directors fully complies with MMLR of Bursa Securities which require at least two (2) directors or 1/3 of the Board members (whichever is the higher) to be Independent Directors as well as the recommendation under 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.

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.

In recognition of the importance to promote gender diversity on the Board, a policy had been adopted in May 2020 whereby the Board supports the Government's aspiration to achieve at least 30% women directors on the Board of public listed companies. Where new appointments to the Board or on replacement of a Director on the Board, priority will be given to suitable woman 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 has reviewed and is satisfied that its current size and composition of the Board provide an effective blend of entrepreneurship, business and professional expertise in general management, finance and technical areas of the industries in which the Group is involved. The mixture of skills and experience is vital for the continued success and future direction of the Group.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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➤ **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, which 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 material litigations (if any) and other relevant information. The Board papers/meeting materials, which are shared with and uploaded electronically 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 being 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 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 Company Secretaries 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 the Board in discharging their respective duties and roles as Directors of the Company. 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 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 2019, a total of four (4) Board meetings were held which all the Directors have attended the Board meetings held during the year and details of the attendance of the Directors at the Board Meetings are as follows:

Directors	Number of Board meetings attended in 2019
Tan Sri Lim Siew Choon	4/4
Dato' Lee Tuck Fook	4/4
Goh Chin Liong	4/4
Liang Kai Chong	4/4
Tan Sri Marzuki Bin Mohd Noor	4/4
Datuk Ab Wahab Bin Khalil	4/4
Dato' Ng Sooi Lin	4/4
Ng Soon Lai @ Ng Siek Chuan	4/4
Rahana Binti Abdul Rashid	4/4

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 investment, 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.

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## ➤ **DIRECTORS' TRAINING**

All the Directors have attended the Mandatory Accreditation Programme (“MAP”) 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.

Besides 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 year, the Directors of the Company have attended an in-house training on “Malaysian Financial Reporting Standards (“MFRS”) Refresher on MFRS 9, 15, 16 and 123” on 21 October 2019, which was organised for the Directors and senior management of WCT Group.

In addition to the above in-house training, the following Directors have also attended the external training programmes/seminars/conferences listed below:

### **Tan Sri Lim Siew Choon**

- Big Data Analytics Conference 2019 (2 May 2019)

### **Dato' Lee Tuck Fook**

- Invest Malaysia Conference 2019 (19 & 20 March 2019)

### **Goh Chin Liong**

- Corporate Liability Provision Section 17A of MACC Act 2009 (Amended 2018) Awareness Training (15 November 2019)

### **Liang Kai Chong**

- Corporate Liability Provision Section 17A of MACC Act 2009 (Amended 2018) Awareness Training (15 November 2019)

### **Tan Sri Marzuki Bin Mohd Noor\***

- Audit Committee Conference 2019 – Meeting the New Expectations (15 April 2019)
- Session on Corporate Governance and Anti-Corruption (31 October 2019)

### **Datuk Ab Wahab Bin Khalil\***

- Audit Committee Conference 2019 – Meeting the New Expectations (15 April 2019)
- Demystifying the Diversity Conundrum: The Road to Business Excellence (5 July 2019)
- Spark 2019 “Reinventing Retail” – Symposium Peruncitan Kebangsaan 2019 (24 October 2019)
- Session on Corporate Governance and Anti-Corruption (31 October 2019)
- Securities Commission’s Audit Oversight Board Conversation with Audit Committees (8 November 2019)

### **Dato' Ng Sooi Lin\***

- Audit Committee Conference 2019 – Meeting the New Expectations (15 April 2019)

### **Ng Siek Chuan\***

- FIDE Breakfast Talk – Let’s Get Real on Anti-Bribery (1 March 2019)
- Audit Committee Conference 2019 – Meeting the New Expectations (15 April 2019)
- Definition of “Provision of Financial Assistance” & What Constitute Related Party Transaction (16 April 2019)
- Artificial Intelligence and its role in FIs (24 July 2019)
- Demystifying the Diversity Conundrum: The Road to Business Excellence (14 August 2019)

### **Rahana Binti Abdul Rashid\***

- Audit Committee Conference 2019 – Meeting the New Expectations (15 April 2019)

\* Denotes a member of the Audit Committee

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## ➤ **BOARD COMMITTEES**

### **(A) AUDIT COMMITTEE**

The composition of the Audit Committee is in compliance 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](http://www.wct.com.my)) and activities during the financial year are disclosed in the Audit Committee Report found in the Company's Annual Report 2019.

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 seek opinions, viewpoints and clarifications.

### **(B) BOARD RISK & SUSTAINABILITY COMMITTEE**

The Board Risk & Sustainability Committee ("BRSC"), which was established on 30 May 2019, is to assist the Board in overseeing the risk management activities of WCT Group and approving appropriate risk management policies and risk appetite. Prior to this, the risk management oversight was included as part of the terms of reference of the Audit Committee.

In addition, BRSC is also responsible to oversee sustainability-related risks and ensure that sustainability considerations are incorporated in the Group's businesses and strategies so as to create value for its businesses and stakeholders in the longer terms as well as to support business continuity and competitiveness over the longer term.

The BRSC shall comprise not fewer than three (3) members with a majority of them being independent 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](http://www.wct.com.my)).

The BRSC shall meet not less than four (4) times a year. In 2019, two (2) meetings were held since the establishment of BRSC and details of the attendance of the BRSC members are as follows:

Name	Number of BRSC meetings attended in 2019
Dato' Ng Sooi Lin	2/2
Tan Sri Marzuki Bin Mohd Noor	2/2
Datuk Ab Wahab Bin Khalil	2/2
Rahana Binti Abdul Rashid	2/2

During the year under review, the BRSC reviewed and discussed the revised Risk Management Policy and revised Risk Management Framework, Risk Reports and Risk Registers of WCT Group business operations, the risk assessment on bribery and corruption risk, gap analysis on the Sustainability Statement for 2018 and WCT Group sustainability initiatives.

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## (C) **NOMINATION & REMUNERATION COMMITTEE**

The current members of the Nomination & Remuneration Committee ("NRC"), consist of entirely 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](http://www.wct.com.my)).

The NRC meets at least once a year and whenever required. In 2019, three (3) meetings were held and details of the attendance of the NRC members are as follows:

Name	Number of NRC meetings attended in 2019
Datuk Ab Wahab Bin Khalil	3/3
Tan Sri Marzuki Bin Mohd Noor	3/3
Dato' Ng Sooi Lin	2/3

During the financial year 2019, the NRC carried out the following activities:

- (i) Reviewed the annual increment and bonuses of the employees of the Group;
- (ii) Reviewed the annual increment and bonuses of all executive directors;
- (iii) Discussed the succession plan of the Group;
- (iv) Annual assessment and evaluation of the Board as a whole, committees of the Board, the individual directors and the independence of the Independent Directors;
- (v) Annual review of the Board in respect of its size and the required mix of skills and experience;
- (vi) Reviewed the re-election of four (4) directors retiring by rotation at the 8<sup>th</sup> Annual General Meeting; and
- (vii) Reviewed the employment contract and the retirement benefit for the Deputy Managing Director of the Company.

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

## (D) **OPTIONS COMMITTEE**

The Options Committee has 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 (appointed on 30 May 2019)  
Chairman/Independent Non-Executive Director
- (ii) Dato' Lee Tuck Fook  
Member/Group Managing Director
- (iii) Goh Chin Liong  
Member/Deputy Managing Director
- (iv) Tan Sri Marzuki Bin Mohd Noor (resigned on 30 May 2019)  
Chairman/Independent Non-Executive Director

The Options Committee meet as and when required and no meeting was held during the financial year 2019.

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➤ **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. In making these recommendations, the NRC considers the diverse set of skills, knowledge, professional/industry experience, age, cultural and educational backgrounds, ethnicity and length of services of Directors. 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 organisation 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 annual general meeting ("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.

The Directors who are seeking re-election at the forthcoming 9<sup>th</sup> AGM are stated in the notice of the 9<sup>th</sup> AGM. The NRC has assessed the performance of these Directors and accordingly recommended to the Board for their re-election to be tabled for shareholders' approval at the forthcoming 9<sup>th</sup> AGM. This provides an opportunity for the shareholders to renew their mandates for the said Directors to continue to serve on the Board. 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 their personal profile and shareholdings in the Group of each director standing for re-election are furnished in the Company's Annual Report 2019.

➤ **BOARD EVALUATION**

The NRC has reviewed and adopted the criteria used for the annual assessment and evaluation of each individual Director, the Board as a whole and the Board Committees as well as the independence assessment of the Independent Directors.

Each Director is required to review and appraise himself/herself and the Board and/or the respective Committees of which he/she is a member based on the criteria as set out in the evaluation form. From the results, the NRC will draw conclusions on the Board's and Committees' effectiveness in discharging their duties and responsibilities. The results and conclusions will be escalated to the Board.

The annual review and evaluation of the Board as a whole, the Board Committees and the individual Directors which were conducted for year 2019 concluded that the Board and the Board Committees had continued to operate effectively towards fulfilling their duties and responsibilities as the members of the Board and Board Committees throughout the year under review.

➤ **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 on the independence of the Company's Independent Directors is taken annually, prior to any new appointment and when any new interest or relationship develops between the Independent Director and the Company.

The NRC reviews the independence of the Independent Directors in accordance with the criteria on independence as stipulated in the MMLR and Practice Notes of Bursa Securities as well as the Code. The Independent Directors are also assessed on their ability and commitment to continue to bring independence and objective judgement to the deliberation and decision making of the Board and Board Committees.

The Board and the NRC are, based on the annual assessment made for the financial year ended 31 December 2019, satisfied with the level of independence demonstrated by all the five (5) Independent Directors of the Company and that they fulfil the definition of "Independent Director" under the MMLR of Bursa Securities.

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➤ **TENURE OF INDEPENDENT DIRECTORS**

The Board notes and supports the recommendation of the Code that the tenure of an Independent Director should not exceed a consecutive or a cumulative term of nine (9) years. In the event the Board intends to retain any Director as an Independent Director who has served beyond a consecutive or a cumulative term of nine (9) years, approval from the shareholders will be sought at the Company's general meeting.

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 three (3) years as at the end of the financial year ended 31 December 2019.

➤ **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 Board had in May 2020 approved and adopted a new 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, 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](http://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 2019 are stated as follows:

The Company/Group	Salaries and Other Emoluments (RM)	Fees (RM)	Bonus (RM)	EPF (RM)	Benefits-in-kind (RM)	Insurance Premium for Directors (RM)	Total (RM)
<b>Executive Directors</b>							
Tan Sri Lim Siew Choon	2,760,000	12,000	460,000	386,400	47,900	4,165	3,670,465
Dato' Lee Tuck Fook	2,400,000	12,000	400,000	336,000	-	2,368	3,150,368
Goh Chin Liong	5,129,848	12,000	330,000	289,385	63,800	4,510	5,829,543
Liang Kai Chong	1,140,000	12,000	190,000	159,600	23,300	6,407	1,531,307
<b>Non-Executive Directors</b>							
Tan Sri Marzuki Bin Mohd Noor	21,000	84,000	-	-	-	700	105,700
Datuk Ab Wahab Bin Khalil	20,000	84,000	-	-	-	1,918	105,918
Dato' Ng Sooi Lin	17,000	84,000	-	-	-	1,918	102,918
Ng Soon Lai @ Ng Siek Chuan	10,000	84,000	-	-	-	1,918	95,918
Rahana Binti Abdul Rashid	12,000	84,000	-	-	-	1,918	97,918
Total (RM)	11,509,848	468,000	1,380,000	1,171,385	135,000	25,822	14,690,055

**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 2019.



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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 2019.

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.

In June 2020, the Board had approved and adopted a new Policy on Assessment of External Auditors which set out guidance on reviewing, assessing and monitoring the performance, suitability, objectivity and independence of the external Auditors of the Company.

## ➤ **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 2019.

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## ➤ **INTERNAL AUDIT FUNCTION**

The internal audit function of WCT Group is carried out by the Group 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 WCT 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 2019.

## **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](http://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 as 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 shareholders and/or stakeholders of the Group who may have concerns relating to the Group may directly convey 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 release 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 of 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. At the 8<sup>th</sup> AGM held on 12 June 2019, 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 Watchdog 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 to 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 9<sup>th</sup> AGM of the Company scheduled to be held on 5 August 2020 will be voted by poll. An Independent Scrutineer will be appointed by the Company to verify the results of the poll at the AGM.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## ➤ **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 relationship. 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 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.

Below is a summary of the investor relations activities undertaken during the financial year ended 31 December 2019:

	<b>Total</b>
Meetings/Conference calls with investors, analysts and fund managers	10
Investors briefings	4
Site visits	1

The Group's website ([www.wct.com.my](http://www.wct.com.my)) has a section dedicated to investor relations and provides up-to-date information on the Group's business 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  
 Senior Manager - Corporate Affairs  
 Tel: +603 7806 6608  
 Email: [wei-teing.lo@wct.my](mailto:wei-teing.lo@wct.my)

The Board is fully committed to comply with the principles, recommendations and best practices set out in the Code and the MMLR of Bursa Securities, where applicable. In addition to the recent adoption of the Policy on Board Diversity, Policy on Remuneration of Directors and Senior Management of the Group, Policy on Assessment of External Auditors as part of the Company's continuing effort to achieve the good corporate governance, the other key focus areas for 2020 of the Board shall include the implementation of the Anti-Bribery and Anti-Corruption Policy and Procedures on 1 June 2020. In addition, the Board will also continue to strengthen its strategic sustainability approaches to have a deeper integration of sustainability into our day-to-day operations as guided by the Sustainable Development Goals adopted by the Group. With the recent outbreak of COVID-19 pandemic since early 2020 which has a significant impact on the Group's operations and financial position, the Board would carefully consider all risks and opportunities arising therefrom whilst safeguarding the health and safety of the Group's employees, customers and the general public.

(This Statement on Corporate Governance has been approved by the Board of Directors on 11 June 2020)