

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5142
COMPANY NAME : WAH SEONG CORPORATION BERHAD
FINANCIAL YEAR : December 31, 2022

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("the Board") of Wah Seong Corporation Berhad ("WSC" or "the Company") is responsible for the strategic planning, overseeing the proper utilisation and management of its resources and operational conduct, financial and non-financial performance, identifying and implementing appropriate systems to mitigate and manage principal risks, reviewing the adequacy and integrity of its internal controls, risks management and management information systems and ensuring that a management succession plan, a dedicated investor relation and shareholders' communication policy are in place in meeting the Company's goals and objectives.</p> <p>The Board together with the Managing Director/Group Chief Executive Officer ("CEO") and the respective Management team(s), where applicable, developed the Group's corporate goals, objectives and policies and set the appropriate limits of empowerment of its respective Management/Committees' authority, duties and responsibilities.</p> <p>The Board exercises due care and diligence in discharging its fiduciary duties and responsibilities and in ensuring that high ethical standards are applied in practising and upholding good corporate governance and through the compliance with the relevant rules and regulations, directives and guidelines and the adoption of the relevant principles and practices of the Malaysian Code on Corporate Governance 2021 ("MCCG") and the Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries issued by Securities Commission Malaysia on 30 July 2020 and revised on 12 April 2021 ("SC Guidelines on Conduct of Directors") in addition to acting in the best interest of the shareholders, stakeholders and the Group, taking into account diverse perspectives and insights.</p> <p>The Board has established a Board Charter which sets out the Board's strategic intent and outlines the Board's roles and responsibilities including the key values, mission, principles and ethos of the Company.</p>

	<p>The Board Charter is available on the Company’s website at www.wahseong.com.</p> <p>Apart from the aforesaid principal roles and responsibilities of the Board, the Board also delegates certain responsibilities to the following Board Committees/Sub-Committee with clearly defined terms of reference to assist the Board in discharging its responsibilities:-</p> <p>(a) Audit Committee (“AC”);</p> <p>(b) Nomination Committee (“NC”);</p> <p>(c) Remuneration Committee (“RC”);</p> <p>(d) Risk Management Committee (“RMC”);</p> <p>(e) Integrity Committee (“IC”); and</p> <p>(f) Sustainability Steering Committee (“SSC”).</p> <p>While the Board Committees/Sub-Committee have their own functions and delegated roles, duties and responsibilities, they will report to the Board with their decisions and/or recommendations. Hence, the ultimate responsibility and decision on all matters lies with the Board.</p>	
Explanation for departure	: Not Applicable	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	: Not Applicable	
Timeframe	: Not Applicable	Not Applicable

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board who is a Non-Independent Non-Executive Director is also a shareholder who has substantial interest in the Company. He is well placed to act on behalf of the shareholders and stakeholders and in their best interest and in providing Board leadership. The Chairman is assisted by the Group Company Secretary in overseeing the compliance and governance matters of the WSC Group.</p> <p>There is a clear separation between the Chairman's role and the Managing Director/Group CEO's role to ensure a division of responsibilities and a balance of control, power and authority.</p> <p>The Chairman leads and manages the Board with a keen focus on governance and compliance. In turn, the Board monitors the functions of the Board Committees in accordance with their respective terms of reference, to ensure its own effectiveness, while the Managing Director/Group CEO manages the businesses and operations of the Group and implements and develops the Board's decisions, policies and strategies.</p> <p>The Chairman and the other members of the Board together with the Management and the Company's External Auditors will be in attendance at Annual General Meetings to provide explanations to all shareholders' queries.</p> <p>The Chairman is responsible for managing the business of the Board to ensure that:-</p> <ul style="list-style-type: none">- all Directors are properly briefed on issues arising at Board meetings; and- sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board discussion. <p>The Chairman, in consultation with the Group CEO and the Group Company Secretary, sets the agenda for Board meetings and ensures that all relevant issues are on the agenda.</p>

	<p>The Chairman will also ensure that every Board resolution is put to vote by the Directors to ensure the will of the majority prevails.</p> <p>The Chairman will have a casting vote in the event of an equality of votes except where only two Directors form a quorum and where only two Directors are competent to vote on the question at issue.</p> <p>The Chairman of the Board does not serve on the Audit Committee, Nomination Committee or Remuneration Committee to ensure check and balance as well as objective review by the Board.</p> <p>The details of the roles and responsibilities of the Chairman of the Board are clearly specified in the Board Charter which is available on the Company's website at www.wahseong.com.</p>	
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	<div>Not Applicable</div> <div>Not Applicable</div>

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 Board is led by Dato’ Seri Robert Tan Chung Meng as the Non-Independent Non-Executive Chairman and Mr Chan Cheu Leong as the Managing Director/Group CEO. There is a clear separation between the Chairman’s role and the Managing Director/Group CEO’s role to ensure a clear division of responsibilities and a balance of control, power and authority.</p> <p>The Chairman leads and manages the Board with a keen focus on governance and compliance. In turn, the Board monitors the functions of the Board Committees in accordance with their respective terms of reference, to ensure its own effectiveness, while the Managing Director/Group CEO manages the businesses and operations of the Group and implements and develops the Board’s decisions, policies and strategies.</p> <p>The distinct and separation of roles and responsibilities of the Chairman and Managing Director/Group CEO are clearly articulated in the Board Charter which is available on the Company’s website at www.wahseong.com.</p>	
Explanation for departure	:	Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

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	:	The Chairman of the Board does not serve on the Audit Committee, Nomination Committee or Remuneration Committee to ensure check and balance as well as objective review by the Board.
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

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>Ms Irene Woo Ying Pun, the Group Company Secretary of the WSC Group, is a Fellow Member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and also a former Council Member from June 2016 to June 2022 of MAICSA. She is a qualified Chartered Secretary and a Chartered Governance Professional. She heads the Group Corporate Secretarial Department of WSC and is a member of the key senior management team of the WSC Group. She was appointed to the position since 3 November 2008.</p> <p>Ms Woo has more than 30 years of extensive relevant working experience in the corporate secretarial practice both as the in-house Group Company Secretary for large public listed groups as well as in large professional consultancy firms. She obtained her initial training of more than six years in Signet & Co. Sdn. Bhd., the Corporate Secretarial arm of Messrs. Ernst & Young.</p> <p>She plays an important role in advising and assisting the Board and Board Committees in achieving good corporate governance and ensuring compliance with statutory laws, rules and regulations and in safeguarding the Company's and Board's interests.</p> <p>She ensures that the Group complies with the Companies Act, 2016 ("the Act"), Main Market Listing Requirements ("MMLR"), Capital Markets & Services Act, 2007 ("CMSA") and all relevant acts, rules, regulations, codes and guidelines of the relevant authorities and governmental/ regulatory bodies and their relevant updates and amendments from time to time.</p> <p>She assists the Board of Directors in overseeing and advising on the relevant aspects of the regulatory, compliance and corporate governance matters of the Group. She attends all meetings of the Board of Directors and all meetings of the Committees and Sub-Committees of the Board and captures all discussions and deliberations thereat comprehensively and accurately in her minutes. Her prompt and well written minutes and advices given to the members of the Board have so far assisted the Board of Directors in making informed decisions as well as for the Management to promptly act on decisions approved by the Board. The Board is satisfied with the competent performance and support rendered by the Group Company Secretary in the discharge of their duties and functions as members of the Board.</p>

	<p>Ms Woo also assists in overseeing the Integrity function of WSC and the Industrial Services Division of the Group. She chairs the Integrity Committee meetings and assisted in the preparation of the Anti-Bribery and Corruption Policy and the Anti-Bribery and Corruption Framework and the establishment of the Anti-Bribery and Corruption Framework Handbook.</p> <p>The details of the roles and responsibilities of the Group Company Secretary are clearly specified in the Board Charter which is made available on the Company’s website at www.wahseong.com.</p>	
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

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 stresses on having timely reports and has full access to quality information which is not just historical or bottom line and financial oriented but information that goes beyond assessing the quantitative performance of the Group and other performance factors e.g. customer satisfaction, product and service quality, market share, market reaction, environmental protection, etc.</p> <p>The Board is briefed in a timely manner on all major financial, operational and corporate matters. In order to maintain confidentiality, meeting papers on issues or corporate proposals which are deemed highly confidential and sensitive, would only be distributed to the Directors at the Board meeting itself.</p> <p>The Directors have access to all information within the Company whether as a full Board or in their individual capacity, in furtherance of their duties. Through regular Board meetings, the Board receives updates, written reports and supporting/discussion documents on the development and business operations of the Group, as well as on potential corporate exercises, proposals, mergers and acquisitions. Minutes of the respective Board Committees' meetings are presented at Board meetings. The respective Board Committees' Chairman will brief the Board on major issues deliberated by each of the Board Committees.</p> <p>The Board meetings for each financial year are scheduled before the end of the preceding financial year, to enable the Directors to plan ahead and fit the year's meetings into their own schedules. The Board meets on a scheduled basis of at least four (4) times a year and has a formal schedule of matters specifically reserved for the Board to decide in order to ensure that the direction and control of the Company firmly rests in its hands, for example strategic financial and investment decisions. Additional or ad-hoc Board meetings can be convened as and when necessary.</p> <p>The Notice of Meetings together with the relevant Board Papers compiled by the Group Company Secretary shall be circulated to all the Directors at least five (5) working days before the Meeting unless the Directors agree to a shorter period.</p>

	<p>In order to facilitate productive and meaningful deliberations, the proceedings of the Board meetings are conducted in accordance with a structured agenda with the supply of complete and timely information to enable the Board to discharge their responsibilities effectively and for them to make informed decisions.</p> <p>The Board reviews and deliberates on the Group’s financial performance and results, business operations, budgets, reports of the various Board Committees, risks management, business plans, corporate exercises and strategic financials and investments decisions.</p> <p>All issues discussed, decisions and conclusions including dissenting views made and whether any Director(s) abstained from voting or deliberating on a matter at the Board or Board Committee Meeting with the required actions to be taken by the respective parties are documented in the minutes. The signed Minutes of each of the Board and Board Committees’ Meetings are kept by the Group Company Secretary.</p> <p>Minutes of the Meetings are circulated to all Board members in a timely manner and signed by the Chairman of the Board/Board Committees as a correct record of the proceedings of the meeting based on confirmation from all the Board/Board Committee members.</p>	
Explanation for departure	:	Not Applicable
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	Not Applicable
Timeframe	:	Not Applicable
		Not Applicable

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 and Terms of References (“TOR”) for Board Committees set out the principal functions, composition, roles and responsibilities of the Board of Directors of the Group and also the functions and responsibilities delegated to the Board Committees as well as to the Management of the Company and its Group.</p> <p>The objectives of the Board Charter and TORs are to ensure that the members of the Board are aware of their roles, duties and responsibilities and the application of principles and practices of good corporate governance in their business conduct and dealings in respect of, and on behalf of the Company and the various laws and legislations governing them and the Company.</p> <p>The Board Charter and TORs are reviewed and updated periodically in accordance with the latest amendments to the Act, MMLR and MCCG.</p> <p>The Board Charter and TORs are published on the Company's website at www.wahseong.com.</p> <p>The Board Charter established by the Board sets out the Board's strategic intent and outlines the Board's roles and responsibilities including the key values, mission, principles and ethos of the Company. The Board Charter serves as a source of reference for Board members as well as a primary induction literature for new Board members in respect of their duties and responsibilities and the various legislations and regulations governing their conduct with the application of principles and practices of good corporate governance in their business conduct. The Board Charter would be reviewed and updated periodically as and when the need arises. The Board Charter was last reviewed by the Board on 23 February 2023.</p> <p>The Board Charter clearly spells out the following principal roles and responsibilities of the Board in enhancing Board's effectiveness in the pursuit of corporate goals and objectives:</p>

	<ul style="list-style-type: none"> • reviewing and adopting the strategic plans and direction of the Group; • setting appropriate values and standards; • reviewing the financial statements and forming a view on the information presented; • overseeing the governance of sustainability and in setting the Group's sustainability strategies, priorities and targets which encompasses economics, environment, social and governance ("EESG") aspects; • overseeing and evaluating the conduct of the Group's businesses; • reviewing, challenging and deciding on Management's proposals and recommendations and monitor their implementation where appropriate; • identifying principal risks and ensuring that appropriate internal control and risk management and mitigation measures are implemented to manage these risks; • succession planning including the implementation of appropriate systems for recruitment, training, determining compensation benefits and replacement of senior management staff; • developing and implementing an investor relations programme to enable effective communications with the shareholders and stakeholders; • supervising and assessing Management's performance in managing the businesses of the WSC Group; • reviewing the adequacy and integrity of the internal control systems, management information systems and risk management framework which includes sound system of reporting and in ensuring regulatory compliance with applicable laws, regulations, rules, directives and guidelines; • ensuring proper accounting and other records are kept to enable the preparation of true and fair financial statements; • ensuring an adequate group wide framework is in place to facilitate oversight and ensuring integrity of the group financial and non-financial performance and reporting, business strategy and priorities, risk management and corporate governance policies and practices of the Group; and • ensuring the group wide framework is established on corporate governance to include code of conduct and ethics, policies and procedures on anti-corruption, whistleblowing, managing conflict of interest, managing material sustainability risks and board diversity including gender diversity.
Explanation for departure	: Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

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 observes high standard of ethical conducts based on the Company Directors' Code of Ethics established by the Companies Commission of Malaysia and the Company Directors' Code of Ethics established by the Board on 27 November 2018 and last reviewed on 23 November 2022.</p> <p>The Directors are guided by the SC Guidelines on Conduct of Directors in the discharge of their fiduciary duties towards the Company and the shareholders. The SC Guidelines on Conduct of Directors covers the Conduct Requirements for Directors, Maintaining Proper Records and Accounts and Group Governance in promoting corporate governance practices among the listed corporations in Malaysia.</p> <p>The Board has established the Principles of Business Conduct as guidance for the conduct of the Group's business and on issues pertaining to conflict of interest and related parties which may affect any members of the Board.</p> <p>The Board has also established the Anti-Bribery and Corruption Policy in line with the enforcement of the provision of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) to handle bribery and corruption matters within the Group.</p> <p>The Company Directors' Code of Ethics, the Principles of Business Conduct and the Anti-Bribery and Corruption Policy are available on the Company's website at www.wahseong.com.</p>
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

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 disseminated its Whistle Blowing Policy by which an employee or stakeholder can report or disclose in good faith, through the established channel, genuine concerns about unethical behaviour, malpractice, illegal act or failure to comply with regulatory requirements.</p> <p>The Board will ensure that the Whistle Blowing Policy are reviewed periodically, at least once every 3 years, to assess its effectiveness and to ensure its relevance.</p> <p>The procedures of the Whistle Blowing Policy, in raising such genuine concerns to the established channels are available on the Company's website at www.wahseong.com.</p>	
Explanation for departure	:	Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

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 come a long way from a medium sized Malaysian enterprise to where the Group is today. It is through resilience and fortitude that the Group has been growing from strength to strength, meeting challenges along the way and succeeding in branching further aloft. As at today, the Group is a significant player in its core businesses and is sustaining growth on the global business landscape.</p> <p>The Board is responsible for overseeing the governance of sustainability and in setting the Group's sustainability strategies, priorities and targets which encompasses EESG aspects. The RMC plays an important role in developing the Company's sustainability strategies, plans, approach and integrating sustainability consideration in the day-to-day operations of the Group and to drive, implement and monitor to ensure effective implementation of the Company's sustainability risks, strategies, opportunities and plans and all these have since been relayed to the designated committee namely the SSC which is established and formalized by the Board of Directors on 23 November, 2022.</p> <p>The SSC supports and assists the Board in the oversight of the responsibilities towards the Group's ongoing commitments and initiatives on its sustainability which encompasses the EESG aspects to be in line with the Group's vision, mission and values.</p> <p>The Groups' sustainability efforts are in line with the Global Reporting Initiative ("GRI") Standards: Core Option, Bursa Malaysia's Sustainability Reporting Guide, FTSE4Good Bursa Malaysia ESG Index, the United Nations Sustainable Development Goals (UNSDGs) and the International Organization for Standardization (ISO) 26000:2010 Guidance on Social Responsibility.</p> <p>Initially the RMC, now the SSC reports to the Board on matters and updates pertaining to sustainability of the Group on a quarterly basis.</p>

	The Statement on Sustainability is published in the Annual Report 2022.	
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable
		Not Applicable

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company develops, implements and maintains sound management systems for sustainable development and growth that drive continual improvement. While maintaining sustainable growth, the Company is committed to create an open, diverse, friendly and safe workplace which is part of the Group's core values. Besides, the Company places utmost priority and is fully committed to its Health, Safety and Environment policy and objectives with the aim of ensuring health and safety of our people as well as protection of the environment that the Group operates in by promoting and improving the health and welfare of the workforce, maintaining an accident-free work environment, eliminating occupational injuries, preventing pollutions by reducing carbon footprint, preventing wastages by promoting the efficient use of resources, recycling initiatives, optimising the use of natural resources and conserving energy.</p> <p>The Group is dedicated in supporting the local communities within which it operates and through its corporate responsibility programmes, the Company will continue to implement initiatives to contribute back to the society and local communities.</p> <p>The SSC is responsible to ensure timely and efficient communication and reporting of its sustainability reports, sustainability related statements and disclosures to the relevant regulatory/government authorities, stakeholders and shareholders as well as ensuring the quality, accuracy and completeness of the contents thereof.</p> <p>The Company's sustainability strategies, priorities and targets and the performance against these targets are detailed in the Sustainability Statement in the Annual Report 2022 which is accessible by both internal and external stakeholders.</p>
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

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 SSC, spearheaded by the Group’s Deputy Managing Director, has been carrying out various initiatives on environment and climate change activities and projects under the purview of the RMC.</p> <p>The Board also takes their own initiatives and liberty to regularly update their knowledge and enhance their skills by attending the relevant seminars and talks. The details of training programmes attended by the Board are as stated in the Corporate Governance Overview Statement in the Annual Report 2022.</p>	
Explanation for departure	:	Not Applicable	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>The NC had included the Evaluation on Board Performance Relating to Environmental, Social and Governance (“ESG”) Issues or Sustainability extracted from the 4th Edition of the Corporate Governance Guide issued by Bursa Malaysia on 15 December 2021 in the annual assessment for the Board in respect of the financial year ended 31 December 2022. The Board was satisfied with the results of the annual assessment and its performance on ESG and sustainability issues.</p> <p>As for senior management, KPIs set for the financial year 2023 would include ESG related items in addressing the Company’s material sustainability risks and opportunities.</p>	
Explanation for departure	:	Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

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	:	Adopted
Explanation on adoption of the practice	:	<p>The Board of Directors has the overall responsibility for sustainability and considers ESG matters in the Group's strategy development. The SSC was established and formalized by the Board of Directors on 22 November, 2022 to support and assist the Board in the oversight of the responsibilities towards the Group's ongoing commitments and initiatives on its sustainability which encompasses the EESG aspects to be in line with the Group's vision, mission and values.</p> <p>The Board has identified the Group's Deputy Managing Director as the Chairman and primary individual spearheading the SSC, which has been carrying out various initiatives on environment and climate change activities and projects formerly under the purview of the Risk Management Committee and has since been relayed to the SSC. He is assisted by a senior leadership team including the Chief Strategy Officer and the Senior Manager for ESG of Wasco Group who are also members of the SSC.</p> <p>The SSC has been tasked with, amongst others, reviewing and recommending the development and implementation of the Company's sustainability-related strategies, goals, initiatives, business plans and major action plans to the Governance and Compliance Committee/ Board; monitoring and updating on the status and progress of all sustainability initiatives, activities, strategies and plans undertaken or implemented by WSC Group; reviewing the relevant compliance with the regulatory and public commitments on sustainability matters and monitor the effectiveness of the risk management framework related to sustainability and EESG matters including risk appetites and risk policies; and addressing stakeholders' concerns and effectively engaging with employees and stakeholders in respect of EESG related matters.</p> <p>The Company's sustainability initiatives, strategies, priorities, targets and performance are detailed in the Sustainability Statement in the Annual Report 2022 which is accessible by both internal and external stakeholders.</p>

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 NC is responsible for assessing and making recommendations on any new appointments to the Board and its various Board Committees as well as the Directors who are retiring by rotation to be put forward for re-election. The Company's Constitution provides that all the Directors shall retire at least once (1) in every three (3) years and are eligible for re-election at each AGM in compliance with the MMLR.</p> <p>The NC conducted an annual assessment of the Board's effectiveness as a whole and the contribution of each individual Director in respect of the financial year ended 31 December 2022 using a set of customised self-assessment questionnaires to be completed by the Directors. The results of the self-assessment by Directors and the Board's effectiveness as a whole as compiled by the Group Company Secretary were tabled to the Board for review and deliberation. The Board was satisfied with the results of the annual assessment. The current size and composition of the Board is appropriate and well-balanced with the right mix of skills with the Board composition comprising individuals of high calibre, credibility and with the necessary skills and qualifications to enable the Board to discharge its responsibility effectively.</p> <p>Assessment was also conducted on the Board Committees' effectiveness based on a set of questionnaires to be completed in respect of the financial year ended 31 December 2022 and the NC was pleased with the outcome of the said assessment. The NC is satisfied with the existing Board composition with regards to the mix of skills, experience, expertise and independence in meeting the required needs of the Company taking into consideration the gender diversity and ethnicity of the members of the Board. The Board is supported by the core Management team having the relevant and appropriate qualifications, experience and competencies in their respective roles and functions.</p> <p>The NC had at its meeting held on 27 March 2023 interviewed and recommended two (2) women candidates to be appointed as Independent Non-Executive Directors on the Board of the Company.</p> <p>The new Board composition will fulfil the MMLR to have at least one (1) woman Director on Board and all the existing Independent Non-</p>

	Executive Directors whom have exceeded the twelve (12) years tenure will also be redesignated as Non-Independent Directors by 1 June 2023.	
	The details of the roles and responsibilities of the NC are clearly specified in the TOR of NC which is available on the Company’s website at www.wahseong.com .	
Explanation for departure	:	Not Applicable
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	Not Applicable
Timeframe	:	Not Applicable
		Not Applicable

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	:	Departure
Explanation on application of the practice	:	Not Applicable
Explanation for departure	:	<p>During the period under review, the Board has appointed two (2) women Directors on the Board of the Company namely Datin Wan Daneena Liza Binti Wan Abdul Rahman and Ms. Lily Rozita Binti Mohamad Khairi. These two (2) women Directors will be the new Independent Non-Executive Directors on the Board. Meanwhile, the existing Independent Non-Executive Directors namely Encik Halim Bin Haji Din and Tan Sri Professor Lin See Yan will be redesignated as Non-Independent Non-Executive Directors accordingly.</p> <p>Hence, the new Board composition comprises of nine (9) Directors, which include two (2) Executive Directors, four (4) Non-Independent Non-Executive Directors (including the Non-Executive Chairman) and three (3) Independent Non-Executive Directors.</p> <p>The new Board composition fulfilled the Bursa Malaysia Main Market Listing Requirements to have at least one (1) woman Director on Board and also all the existing Independent Non-Executive Directors whom have exceeded the twelve (12) years tenure to be re-designated as Non-Independent Directors.</p> <p>Out of the nine (9) members, three (3) members are Independent Non-Executive Directors, representing approximately 33.33% of the Board. The Board composition is balanced and complies with Paragraph 15.02 of the MMLR, which states that at least two (2) or one-third (1/3) of the Board, whichever is higher, are Independent Directors.</p> <p>In view of the need to ensure independent and objective judgements in the Board deliberations, all Independent Directors have fulfilled the criteria of independence as defined in the MMLR. Their presence provides a check and balance in the discharge of the Board function and the Independent Directors' views carry significant weight in all Board deliberations and decision-making. All Independent Directors act independently of the Management and do not participate in any business dealings and are not involved in any other relationship with the Group that may impair their independent judgement and decision-making.</p>

	Annual assessment on the independence of the Independent Directors is conducted annually based on the criteria of independence in the MMLR and other criteria, in particular their abilities to exercise their objective and independent judgement to act in the best interests of the Company.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

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	:	Departure
Explanation on application of the practice	:	Not Applicable
Explanation for departure	:	<p>The NC had recently identified two (2) suitable candidates for appointment as Independent Directors on the Board whereby Datin Wan Daneena Binti Wan Abdul Rahman was appointed as an Independent Non-Executive Director on 7 April 2023 and Ms. Lily Rozita Binti Mohamad Khairi was appointed as an Independent Non-Executive Director on 12 April 2023.</p> <p>The Independent Directors have each provided an undertaking to Bursa Securities since their appointment confirming and declaring that they are "Independent Directors" as defined under Paragraph 1.01 of the MMLR.</p> <p>Ms Lily Rozita binti Mohamad Khairi is currently working in Shell Plc as the Ethics and Compliance Officer for Projects & Technology/Global Function. Due to the nature of Wah Seong Corporation Berhad's business, there may be prospects or future dealings between Shell and Wah Seong Corporation Berhad and its Group of Companies. Any potential or perceived conflict of interest has been registered with Shell and mitigations inclusive of recusal has been put in place.</p> <p>In respect of the financial year ended 31 December 2022, each of the existing Independent Non-Executive Directors have provided their annual confirmations based on the criteria of independence in the MMLR to the Company. The Nomination Committee and the Board have duly assessed, determined and resolved that the existing Independent Non-Executive Directors of the Company namely Encik Halim Bin Haji Din and Tan Sri Professor Lin See Yan, who have served on the Board for more than twelve (12) years, to be redesignated as Non-Independent Non-Executive Directors by 1 June 2023.</p> <p>The Board acknowledges that the existing Independent Directors have been continuously contributing objective and independent judgements during Board deliberations, providing good and constructive feedbacks</p>

	<p>and with their good participation and sound knowledge in the conduct of Board and Committee Meetings are the added merits. The Board has been very pleased with the contributions and performance of the Independent Directors because they possess the skill sets, calibre, special knowledge and expertise in their respective areas of speciality and in the industry. Their expertise and experience are needed for the time being to see the Company through various challenges ahead.</p> <p>Annual assessment on the independence of the Independent Directors is conducted annually based on the criteria of independence in the MMLR and all of them are independent from the Company’s management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company.</p> <p>The Board believes that its current Board composition provides the appropriate balance in terms of skills, knowledge and experience in creating, protecting and enhancing the interests and values of all shareholders and stakeholders and in overseeing the conduct of businesses and to properly run the WSC Group effectively.</p>		
	<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable	
Timeframe	:	Not applicable	Not applicable

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	:	Not Applicable

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 via the NC recommends the candidates for appointment on the Board and senior management based on the candidates' merits, skills, knowledge, expertise and experiences, competencies, professionalism, integrity and time commitment to ensure that the candidates would be able to contribute to the effectiveness of the Board and in the case of candidates for the position of Independent Non-Executive Director, to evaluate the candidates' ability to discharge such responsibilities/functions as expected from the Independent Non-Executive Directors.</p> <p>The Board has established a formal Diversity Policy on 27 November 2018 on gender, ethnicity and age diversity whereby the Board believes in recognising and retaining high performance and talented staff force and the recruitment of the best talents in the work place regardless of gender, ethnicity and age with the objective of maximising the performance, efficiencies and effectiveness of the work place. The Diversity Policy is last reviewed by the Board on 23 November 2022.</p> <p>NC evaluates suitable candidates for the appointment of board and senior management. However, the process should be exercised with due care and careful assessment has to be made based on merits, skills, knowledge and appropriate experience.</p> <p>The above process is also applicable in the selection and evaluation of suitable candidates for gender, ethnicity and age diversity on the Board and senior management.</p> <p>The Board has also established the Directors' Fit and Proper Policy on 23 May 2022 to guide the NC, the Managing Director/Group CEO and Deputy Managing Director in the appointment and re-appointment/re-election of Directors, CEOs and Chief Financial Officers of the WSC Group based on a list of fit and proper criteria.</p> <p>The Diversity Policy and Directors' Fit and Proper Policy are available on the Company's website at www.wahseong.com.</p>

	The Board has devoted sufficient time in carrying out their duties and responsibilities. The schedule of meetings for the calendar year comprising Board meetings and other Committee meetings is prepared by the Group Company Secretary and sent to members of the Board at least four months prior to the commencement of the calendar year to notify the Board on the meetings scheduled ahead, to enable the Board to plan ahead and fit the year's meetings into their own schedules.	
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable
		Not Applicable

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	:	Departure
Explanation on application of the practice	:	Not Applicable
Explanation for departure	:	<p>NC undertakes an annual review to assess and consider the needs of the Board including, amongst others, the size and competency of the Board, mix of skills and expertise, diversity and the balance between executive, non-executive and independent directors.</p> <p>The Board together with the senior management continuously search for appropriate candidates to fulfil such position from various sources, including the utilisation of independent sources where relevant. The NC would assess their suitability based on a prescribed set of criteria as set out in the TOR of the NC, the Diversity Policy and any other additional criteria as may be identified by the NC from time to time.</p> <p>Potential candidates are required to declare and confirm in writing, amongst others, his/her current directorships, that he/she is not an undischarged bankrupt or an active politician, is not involved in any court proceedings in connection with the promotion, formation or management of a corporation or involving bribery, fraud or dishonesty, is not subject to any investigation by any regulatory authorities under any legislation. Furthermore, potential candidates being considered for the position of Independent Directors are required to declare and confirm their independence based on the criteria set out in the MMLR.</p> <p>Potential candidates are also assessed by the NC according to the Fit and Proper criteria set out in the Directors' Fit and Proper Policy based on their character, integrity, experience, competency, and time and commitment.</p> <p>The NC shall in making its recommendations consider suitably qualified candidates for directorships proposed by the Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any Director or shareholder.</p>

	<p>The Board and senior management of the Company would have a better understanding of the board candidatures, taking into account factors including, amongst others, qualification, skills, experience and personal attributes of the new directors for the industry in which it operates in and is subjected to fit and proper licensing requirements by the relevant regulators. Through its own network and bearing in mind the highly regulated industry in which the Company operates in, the Management would be in the best position to identify potential candidates with background which fits the criteria requirements.</p> <p>The NC will consider utilizing independent sources in the event suitable candidates could not be sourced from such recommendations.</p> <p>The NC of the Company is responsible to ensure that the procedures for appointing new Directors are transparent and rigorous. NC is guided by its TOR and the Directors’ Fit and Proper Policy in carrying out its responsibilities in respect of the nomination, selection and appointment process in the Company.</p>		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

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	:	<p>The NC conducted an annual assessment of the Board's effectiveness as a whole and the contribution of each individual Director in respect of the financial year ended 31 December 2022 using a set of customised self-assessment questionnaires to be completed by the Directors. The results of the self-assessment by Directors and the Board's effectiveness as a whole as compiled by the Group Company Secretary were tabled to the Board for review and deliberation.</p> <p>The Board was satisfied with the results of the annual assessment and that the current size and composition of the Board is appropriate and well-balanced with the right mix of skills with the Board composition comprising individuals of high calibre, credibility and with the necessary skills and qualifications to enable the Board to discharge its responsibility effectively.</p> <p>Annual assessment on the independence of the Independent Directors is conducted annually.</p> <p>Ms Lily Rozita binti Mohamad Khairi is currently working in Shell Plc as the Ethics and Compliance Officer for Projects & Technology/Global Function. Due to the nature of Wah Seong Corporation Berhad's business, there may be prospects or future dealings between Shell and Wah Seong Corporation Berhad and its Group of Companies. Any potential or perceived conflict of interest has been registered with Shell and mitigations inclusive of recusal has been put in place.</p> <p>The Directors who are due for re-election and re-appointment at the 23rd AGM of the Company have given their consent for re-election and re-appointment accordingly. The statements that the Board supports their re-election and re-appointment are stated in the Explanatory Notes on Ordinary Resolutions under the Notice of the 23rd AGM of the Company.</p>
Explanation for departure	:	Not Applicable

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

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 Chairman of the NC is Tan Sri Professor Lin See Yan, who is a Senior Independent Non-Executive Director of the Company.	
Explanation for departure	:	Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:	Not Applicable	
Explanation for departure	:	<p>During the period under review, the Board has appointed two (2) women Directors on the Board of the Company namely Datin Wan Daneena Liza Binti Wan Abdul Rahman and Ms. Lily Rozita Binti Mohamad Khairi who were appointed on 7 April 2023 and 12 April 2023 respectively. These two (2) women Directors will be the new Independent Non-Executive Directors on the Board.</p> <p>Meanwhile, the existing Independent Non-Executive Directors namely Encik Halim Bin Haji Din and Tan Sri Professor Lin See Yan will be redesignated as Non-Independent Non-Executive Directors accordingly. Hence, the new Board composition comprises of nine (9) members, which include two (2) Executive Directors, four (4) Non-Independent Non-Executive Directors (including the Non-Executive Chairman) and three (3) Independent Non-Executive Directors.</p> <p>The new Board composition fulfilled the Bursa Malaysia Main Market Listing Requirements to have at least one (1) woman Director on Board and also all the existing Independent Non-Executive Directors whom have exceeded the twelve (12) years tenure to be re-designated as Non-Independent Directors.</p> <p>The Board when sourcing for suitable candidates to fill up any vacant Board position in the future would continue identifying suitably qualified women candidates to comply with Practice 5.9 of the MCCG.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

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	:	<p>As explained under Practice 5.5 above, for the selection of Board members, the Group practices non-discrimination in any form, whether based on age, gender, ethnicity or religion, throughout the organisation.</p> <p>With the establishment of the Diversity Policy by the Board which came into effect on 27 November 2018 and is last reviewed on 23 November 2022, the NC has been tasked to review and assess the skills, expertise, experience, gender, age, ethnicity, time commitment and independence of WSC’s Board to ensure their relevance and the efficiencies and effectiveness of the Board as a whole on an annual basis or as and when the need arises including its effectiveness in promoting a diverse Board composition which includes any appropriate number of women Director(s). The NC shall ensure that there is at least one (1) woman Director(s) on the Board.</p> <p>The Diversity Policy is available on the Company’s website at www.wahseong.com.</p>	
Explanation for departure	:	Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

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 NC has a formal assessment mechanism in place to assess on an annual basis, the effectiveness of the Board Committees, the Board as a whole and the contribution of each individual Director, including the independence of the Independent Non-Executive Directors.</p> <p>The annual assessment criteria is based on the customised sets of questionnaires which are prepared in line with the best practices of the MCCG taking into account the mix of skills, expertise, experience, composition, performance and contributions and size of the Board as a whole and of each individual Director. The customised sets of questionnaires are improvised yearly to keep abreast with the latest requirements and best practices.</p> <p>The results of the assessments are compiled by the Group Company Secretary who is also the Secretary of the NC. The results of the assessments will be tabled in the form of a summary by the NC Chairman to the Board for the Board's review and deliberation. The Board members will take note on areas which require more attention and improvement. The results of the assessments also form the basis of the NC's recommendation to the Board for the re-election of Directors at the AGM.</p> <p>The NC has also conducted the annual review of the terms of office and performance of the Audit Committee and each of the members to ensure that they have carried out their duties and function in accordance with the TOR.</p> <p>The assessments and evaluations carried out by the NC in the discharge of its function are properly documented.</p> <p>The Board has reviewed the current evaluation processes and is of the opinion that they are adequate in providing an objective annual</p>

	<p>assessment of the effectiveness of the Board, Board Committees and each individual Directors.</p> <p>The Board was satisfied with the results of the annual assessment and that the current size and composition of the Board is appropriate and well-balanced with the right mix of skills with the Board composition comprising individuals of high calibre, credibility and with the necessary skills and qualifications to enable the Board to discharge its responsibility effectively.</p>	
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	<div>Not Applicable</div> <div>Not Applicable</div>

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has in place a Remuneration Policy to determine the remuneration of its Directors and senior management. The details are as set out in the said policy and are available on the Company's website at www.wahseong.com.</p> <p>Determination of remuneration packages of Non-Executive Directors including the Non-Executive Chairman is a matter of the Board as a whole. The individuals concerned will abstain from discussion of their own remuneration.</p> <p>The TOR of RC which set out the policies and procedures to determine the remuneration of the Board and senior management is also available on the Company's website at www.wahseong.com.</p> <p>Both the Remuneration Policy and TOR of the RC are revised and updated in accordance with the latest amendments to the Act, MMLR and MCGG and reviewed by the RC and approved by the Board on 23 February 2023.</p> <p>The RC also plays a role in determining the level and composition of remuneration of senior management taking into account the Company's intention to attract and retain the right talents to drive the Company's long-term objectives.</p>
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

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 TOR of RC which sets out the policies and procedures in determining the remuneration of the Board and senior management is available on the Company’s website at www.wahseong.com . The TOR of RC was last reviewed by the Board on 23 February 2023.	
Explanation for departure	:	Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

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 detailed disclosure on named basis for the remuneration of individual directors during the financial year ended 31 December 2022 are as stated in the Corporate Governance Overview Statement in the Annual Report 2022.

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	Dato' Seri Robert Tan Chung Meng	Non-Executive Non-Independent Director	100	12	-	-	11	-	123	100	12	-	-	11	-	123
2	Halim Bin Haji Din	Independent Director	90	48	-	-	-	-	138	90	48	-	-	-	-	138
3	Tan Sri Professor Lin See Yan	Independent Director	80	48	-	-	-	-	128	80	48	-	-	-	-	128
4	Tan Jian Hong, Aaron	Non-Executive Non-Independent Director	60	36	-	-	-	-	96	60	36	-	-	-	-	96
5	Tan Sri Saw Choo Boon	Independent Director	80	48	-	-	-	-	128	80	48	-	-	-	-	128
6	Chan Cheu Leong	Executive Director	60	12	2,160	-	34	260	2,526	60	12	2,160	-	34	260	2,526
7	Gian Carlo Maccagno	Executive Director	60	12	-	-	-	-	72	60	12	3,337	-	31	675	4,115
8	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

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	:	Not Applicable	
Explanation for departure	:	<p>The total remuneration inclusive of salary, bonus, benefits in-kind and other emoluments in bands of RM50,000 for the Top Five Key Senior Management has been disclosed in the Corporate Governance Overview Statement in the Annual Report 2022.</p> <p>However, for the purposes of security and to avoid poaching by other organisations, the names of the Top Five Key Senior Management are withheld and the detailed remuneration of each of the individuals are not presented because the Board of Directors is of the opinion that such information will not add significant value and understanding towards the evaluation of the Company’s standard of Corporate Governance.</p>	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	-	-	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	-	-	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	-	-	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	-	-	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	-	-	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	Not Applicable

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	-	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-	-
5	-	-	-	-	-	-	-	-

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 Chairman of AC is Encik Halim Bin Haji Din, who is an Independent Non-Executive Director and the Chairman of the Board is Dato’ Seri Robert Tan Chung Meng, who is a Non-Independent Non-Executive Chairman.</p> <p>The Chairman of the Board does not serve on the AC to ensure check and balance as well as objective review of the AC’s findings and recommendations by the Board. The Chairman of the Board shall not participate by way of invitation in the AC meetings.</p> <p>The Chairman of the AC together with the other members of AC assist the Board in regards to the following:-</p> <ul style="list-style-type: none">▪ Assess the Group’s processes relating to its risks and environment control;▪ Oversee the Company’s financial reporting;▪ Review the internal and external audit reports;▪ Assess the suitability, objectivity and independence of the External Auditors.	
Explanation for departure	:	Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

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 policy on observation of a cooling-off period of at least 3 years for a former key audit partner of the external audit firm prior to the appointment as an AC member has been incorporated in the Terms of Reference of AC. No member of the AC is a former key audit partner of the Group’s external auditors.	
Explanation for departure	:	Not Applicable	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

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 has reviewed the annual assessment and the performance of the external auditors, Messrs PricewaterhouseCoopers PLT ("PwC") based on the following criteria:-</p> <ul style="list-style-type: none">• Calibre of the External Auditors;• Quality processes/performance;• Audit team;• Independence and objectivity;• Audit scope and planning;• Audit fee; and• Audit communications. <p>PwC has confirmed their independence of the Group and of the Company in accordance with the By-Laws on Professional Independence of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants ("IESBA Code") and PwC has fulfilled their other ethical responsibilities in accordance with the By-Laws and the IESBA Code.</p> <p>The AC has obtained confirmation from PwC that there is no recent/current litigation case(s) against the audit firm. The AC had also noted the information presented in PwC's Annual Transparency Report.</p> <p>As part of the review process, the AC has sought and reviewed the Management's comments and feedbacks on the performance of PwC. This review process ensures that critical issues, if any, are objectively brought up to the attention of the AC.</p> <p>Being satisfied with their performance, technical competency and audit independence, the AC recommended the re-appointment of PwC as the External Auditors of the Group for the financial year ended 31 December 2022 to the Board for approval accordingly.</p>
Explanation for departure	:	Not Applicable

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Not Adopted
Explanation on adoption of the practice	:	Not Applicable

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The NC reviews the terms of office and performance of the AC and each of the members annually and assesses whether the AC and its members have carried out their duties in accordance with their terms of reference pursuant to Paragraph 15.20 of the MMLR.</p> <p>The Board is satisfied with the AC's performance as the Chairman and the AC members possess the necessary knowledge, experience, expertise and skills which contribute to the overall effectiveness of the AC. The members of AC are financially literate, have sufficient understanding of the Group's business and commercial expertise skills required to discharge their roles and responsibilities effectively.</p> <p>The composition of the AC comprises of three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.</p> <p>Encik Halim Bin Haji Din, the Chairman of AC, is an Independent Non-Executive Director of the Company. He is a Chartered Accountant who spent more than thirty (30) years working for multinational corporations and international consulting firms. Therefore, the AC of the Company meets the requirement of Paragraph 15.09(1)(c)(i) of the MMLR, which stipulates that at least 1 member of the AC is a qualified accountant.</p> <p>The AC ensures that the financial reports of the Company comply with applicable financial reporting standards and all AC members have kept themselves abreast with the relevant industry developments including accounting and auditing standards, business practices and rules, and new statutory and regulatory requirements.</p> <p>All the members of AC enhance their skills through appropriate continuing education programmes. The details of training programmes</p>

	attended by them are as stated in the Corporate Governance Overview Statement in the Annual Report 2022.	
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable
		Not Applicable

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 RMC principally develops, executes and maintains the risk management system to ensure that the Group’s corporate objectives and strategies are achieved within the acceptable risk appetite of the Group. Its reviews cover responses to significant risks identified including non-compliance with applicable laws, rules, regulations and guidelines, changes to internal controls and management information systems, and output from monitoring processes as well as continual review process of identified risks and effectiveness of mitigation strategies and controls.</p> <p>Further details on the management and reporting of risks as well as controls in place to mitigate and manage those risks are provided under the Statement on Risk Management and Internal Control in the Annual Report 2022.</p>	
Explanation for departure	:	Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

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 Board recognises the importance of sound risk management and internal control practices for good corporate governance. The Board affirms its responsibility for ensuring the Group’s system is able to adequately and effectively manage significant risks.</p> <p>The Group has in place an ongoing process for identifying, evaluating and managing significant risks through a framework, which includes a reporting structure. This is supported through the RMC that meets quarterly, receiving risk management updates and taking necessary actions to ensure that risks are managed within the acceptance levels of the company within which they reside.</p> <p>The Group’s system of internal control is designed to manage and mitigate risks appropriately, rather than eliminate the risk of failure to achieve business objective. Due to the inherent limitations in all control systems, these control systems can only provide reasonable and not absolute assurance.</p> <p>Further details on the management and reporting of risks as well as controls in place to mitigate and manage those risks are provided under the Statement on Risk Management and Internal Control in the Annual Report 2022.</p>	
Explanation for departure	:	Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Not Adopted
Explanation on adoption of the practice	:	<p>The RMC was established as a sub-committee of the AC. The RMC comprises of the Executive Directors, Heads of Finance, Group Internal Audit Head and Heads of Business Units/Divisions. The Committee meets at least four (4) times a year to discuss, assess, manage and mitigate risks associated with the respective Business Units and Divisions and the Group as a whole.</p> <p>The Summarised Risk Registers are compiled and confirmed by the respective Heads of the Business Units/Divisions and based on which WSC Group's key risks are identified for monitoring. Potential new investments are tabled to the RMC for comprehensive risks assessment review and deliberation on the risks associated with the proposed investment before the said proposed investment is tabled to the Finance and Investment Committee for review, evaluation and financing needs assessment before tabling to the AC for their review and then to the Board for approval.</p> <p>The RMC has been expanded to cover the areas of risks on sustainability and anti-bribery and corruption of the WSC Group. The Risk Management Committee plays an important role in developing the Company's sustainability strategies, plans, approach and integrating sustainability consideration in the day-to-day operations of the Group and to drive, implement and monitor to ensure effective implementation of the Company's sustainability risks, strategies, opportunities and plans. The role has since been relayed to the designated committee namely the Sustainability Steering Committee which is established and formalized by the Board of Directors on 22 November, 2022.</p> <p>The RMC has embedded bribery and corruption risk in the risk register and in the annual risk assessment of WSC Group.</p>

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p>The AC is assisted by the Group Internal Audit (“GIA”) in providing an independent and objective assurance to the Group to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance. The Head of GIA reports functionally to the AC and administratively to the Managing Director/ Group CEO and the Deputy Managing Director.</p> <p>The GIA had conducted risk-based audit engagements as stipulated in the annual Internal Audit Plan for financial year 2022. Significant audit findings with regards to risk, control and governance covered various scope which had high risk and impact were discussed with senior management, of which also including the agreed action plans committed by the line management. The audit reports were presented quarterly to the AC for deliberation. Follow up review on the audit engagements were also conducted on every quarter to ensure proper and effective remedial actions have been taken by the line management to close control gaps, risk and governance related issues highlighted by the GIA. All the internal audit activities and processes are performed as guided by the Internal Audit Charter and the GIA Standard Operating Procedure. The GIA is in conformance with the International Standards for the Professional Practice of Internal Auditing.</p> <p>A summary of the Internal Audit activities performed during the financial year under review are as following:-</p> <ol style="list-style-type: none">Completed 5 risk-based audit engagements and presented those reports to AC, of which focused on review of various scope including operations, support functions and business entities of the Group to ascertain the adequacy and effectiveness of risk, control and governance processes;Performed follow-up review on quarterly basis to assess the adequacy, effectiveness and timelines of actions taken by the line management;Completed Self-Assessment with Independent external Validation (SAIV) by The Institute of Internal Auditors Malaysia;Tabled the Annual Audit Plan and budget for FY 2023 to AC for review and approval; andPresented the Internal Audit Charter to AC for annual review and approval.

	The details of the activities of the internal audit function are set out in the Audit Committee Report and Statement on Risk Management and Internal Control in the Annual Report 2022.	
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable
		Not Applicable

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function is performed by the GIA, where their primary responsibility is to provide independent and objective assurance in assisting the Group to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance.</p> <p>The GIA department comprises four (4) members, whereas Mr Sivaramayah A/L Sivalingam has been appointed as the Head of GIA of the Company since 1 August 2019. He attained his Bachelor in Accountancy (Hons.) from the Universiti Utara Malaysia and Master in Business Administration from Universiti Kebangsaan Malaysia. He is a member of the Institute of Internal Auditors Malaysia (“IIAM”), the Malaysian Institute of Accountants (“MIA”) and the Malaysian Institute of Management (“MIM”). The Head of GIA reports functionally to the AC and administratively to the Managing Director/ Group CEO and the Deputy Managing Director.</p> <p>The audit engagements are carried out based on the Annual Audit Plan. In FY 2022, the GIA had completed 5 risk-based audit engagements and presented the reports to the AC. They focused on review of various scope including project management, anti-bribery and business processes of the Group. High impact audit findings with regards to risk, control and governance with recommendation for further improvement are escalated to the attention and scrutiny of the senior management and subsequently tabled to the AC on a quarterly basis. Follow up review on audit engagements are also conducted to ensure proper and effective remedial actions have been taken by the line management to close control gaps highlighted by the GIA. All the internal audit activities and processes performed in FY 2022 were guided by the Internal Audit Charter and the GIA Standard Operating Procedure. The GIA is in conformance with the International Standards for the Professional Practice of Internal Auditing.</p> <p>The GIA confirms its organisational independence annually to the AC where the GIA renders impartial and unbiased judgment in the conduct</p>

	of their engagements. The independence is also achieved by functional reporting directly to AC. All the internal auditors sign the Internal Auditor Code of Ethics annually to confirm and continuously abide that they shall not participate in activity or relationship that may be in conflict of interest.	
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable
		Not Applicable

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>Besides the various announcements and disclosures including information on the quarterly and annual results released to Bursa Malaysia Securities Berhad, the Board maintains an effective communications policy that enables the Board (in particular the Executive Board Members) to communicate effectively with its shareholders, stakeholders and the public in general.</p> <p>As part of the Group's commitment towards having an effective investor relations and shareholders' communication policy, the following have been established:</p> <ul style="list-style-type: none"> (a) An interactive and dedicated website for the Group which can be accessed by the public at large at www.wahseong.com. (b) The Company's Investor Relations and Communications Department attends to the Group's communication needs and whenever required, the services of an external public relations firm will be engaged to promote the Group's image and to create greater public awareness of the Group's products and services aside from fostering and maintaining closer relations with the press and other members of the media. (c) Internally, the Group Corporate Secretarial Department headed by the Group Company Secretary maintains most of the official correspondences with the various authorities. (d) The Annual General Meeting provides an additional forum for shareholders' interaction and feedback with the Company. (e) Media and Analyst Briefings are held by the Company to explain any major corporate exercises and/or to discuss the financial performance of the Group from time to time. (f) The stakeholders are encouraged to report genuine concerns about unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements without fear of reprisal

	should they act in good faith when reporting such concerns through the Company’s Whistle Blowing Policy and Anti-Bribery and Corruption Policy which are available on the Company’s website at www.wahseong.com .	
	(g) The Board has identified the Senior Independent Non-Executive Director of the Board, Tan Sri Professor Lin See Yan, to whom concerns relating to the Group may be conveyed by shareholders and other stakeholders.	
Explanation for departure	:	Not Applicable
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	Not Applicable
Timeframe	:	Not Applicable
		Not Applicable

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	:	Not Applicable	
Explanation for departure	:	Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	The Notice of the 23 rd AGM is dated 28 April 2023, which is 32 days prior to the Company’s AGM to be held on 30 May 2023. The Notice of 23 rd AGM, Proxy Form and Administrative Guide are available on the Company’s website at www.wahseong.com .	
Explanation for departure	:	Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

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	:	<p>All members of the Board attended the 22nd Annual General Meeting (“22nd AGM”). Board members, Board Committees and key senior management were in attendance to respond to shareholders’ enquiries.</p> <p>Shareholders were invited to ask questions about the resolutions being proposed before putting them to vote as well as matters relating to the Company’s operations in general and meaningful responses were given to the questions raised.</p>	
Explanation for departure	:	Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	All directors endeavour to attend the coming annual general meeting.	
Timeframe	:	Not Applicable	Not Applicable

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied	
Explanation on application of the practice	:	<p>The forthcoming 23rd AGM will be conducted through live streaming and online remote participation using Remote Participation and Voting (“RPV”) Facilities as a fully virtual general meeting at the Broadcasting Venue to be held at Matahari 3 & 4, Level 5, Cititel Mid Valley, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Tuesday, 30 May 2023 at 3.00 p.m.. Hence, no shareholders/proxies/corporate representatives from the public will be physically present at the Broadcasting Venue on the day of the 23rd AGM.</p> <p>Shareholders are encouraged to participate (including posting questions to the Board via real time submission of typed texts) and vote remotely at the 23rd AGM of the Company by using the RPV Facilities provided by the Company’s appointed agent, Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at https://tiih.online in accordance with the procedures as set out in the Administrative Guide which is available on the Company’s website at www.wahseong.com.</p>	
Explanation for departure	:	Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	Not Applicable

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 shareholders were encouraged to submit their questions and vote remotely at the 22nd AGM of the Company by using the RPV Facilities provided by the Company's appointed agent, Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at https://tiih.online prior to the 22nd AGM, or by submitting typed texts in query box during the 22nd AGM.</p> <p>Upon commencement of the 22nd AGM, the Chairman advised the shareholders that they were encouraged to submit their questions by submitting typed texts in the Query Box.</p> <p>The Board, senior management and External Auditors were in attendance at the 22nd AGM to provide the appropriate responses to the questions posted by the shareholders. Most of the replies to the questions posted by the shareholders were provided during the 22nd AGM.</p>
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable
		Not Applicable

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 RPV Facilities provided by the Company's appointed agent, Tricor Investor & Issuing House Services Sdn. Bhd. via its TIH Online website at https://tiih.online allowed shareholders to pose questions to the Board via typed text in the Query Box.</p> <p>The questions posted prior to the AGM and during the AGM by the shareholders are made visible to all meeting participants during the AGM.</p> <p>The Company appointed an Independent Scrutineer namely Quantegic Services Sdn. Bhd. to scrutinise and verify the results of the poll voting at the Company's 22nd AGM.</p>
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable
		Not Applicable

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	The Minutes of the 22 nd Annual General Meeting ("22 nd AGM") of the Company held on 26 May 2022 was made available to the shareholders within 30 business days from the conclusion of the 22 nd AGM at the Company's corporate website at www.wahseong.com.my .
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable
		Not Applicable

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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