

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0298
COMPANY NAME : Wentel Engineering Holdings Berhad
FINANCIAL YEAR : December 31, 2023

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 ("Board") of Wentel Engineering Holdings Berhad ("WENTEL" or "the Company") is collectively responsible for the leadership, oversight, and securing the long-term success of the Company and its subsidiaries ("Group") and the delivery of sustainable value to its stakeholders. The Board leads the performance of the Group, including practicing a high level of good governance. All Board members are expected to show good stewardship and act in a professional manner as well as upholding the core values of the Group with due regard to their fiduciary duties and responsibilities.</p> <p>In discharging its fiduciary duties and leadership functions, the Board is guided by the Board Charter, which outlines the duties and responsibilities of the Board, matters reserved for the Board as well as those which the Board may delegate to the Executive Director ("ED") / Group Chief Executive Officer ("Group CEO") and the Management. For the effective function of the Board, the Board has also delegated specific responsibilities to the following Board Committees within their respective Terms of Reference ("TOR"):</p> <ul style="list-style-type: none">• Audit and Risk Management Committee ("ARMC");• Nomination Committee ("NC"); and• Remuneration Committee ("RC"). <p>The ultimate responsibility for the final decision on all matters deliberated in these committees, however, lies with the Board. In addition, the Chairman of the relevant Board Committees also reports to the Board on key issues discussed during the respective committee meetings.</p> <p>The key responsibilities of the Board include but are not limited to the following:-</p>

- Overseeing and evaluating the conduct and sustainability of the businesses of the Group, assuming the responsibility for succession planning.
- Reviewing and adopting the Group's overall strategic direction, business plans, and annual budgets of the Group, including major capital commitments.
- Establishing key performance indicators and succession plans.
- Reviewing and approving new ventures, major acquisitions and disposals of undertakings and properties.
- Identifying principal risks and ensuring the implementation of appropriate internal control systems and mitigation measures to manage risks.
- Reviewing the adequacy and integrity of the Group's internal control systems, management and management information systems.
- Overseeing the development and implementation of the shareholders' communications policy for the Company.
- Ensuring the Group's core values, vision and mission and shareholders' interests are met.
- Ensuring all significant systems and procedures are in place for the Group to run effectively, efficiently, and meet all legal and contractual requirements.
- Ensuring that the Group has appropriate corporate governance in place including standards of ethical behaviour and promoting a culture of corporate responsibility.
- Monitoring the Company's compliance with established policies and procedures.
- Ensuring that the financial statements are prepared based on appropriate and consistently applied accounting policies, supported by reasonably prudent judgment and estimates and in accordance to the applicable financial reporting standards.

The Board has also established a Code of Ethics and Conduct which serves as an internal frame of reference for the Directors and employees of the Group in the conduct of their daily activities. The Code of Ethics and Conduct is incorporated in the Board Charter of the Company. The Board Charter was approved by the Board on 22 June 2023.

	The Board Charter and TOR of the respective committees are available on the Company's website at www.wenteleng.com .	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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, Mr. Ban Kim Wah, holds a Non-Independent Non-Executive position and is responsible for leading the Board to ensure its effectiveness and integrity, as well as the promotion of good corporate governance practices within the Group.</p> <p>The roles and responsibilities of the Chairman of the Board have been clearly specified in the Company's Board Charter, which is accessible via the Company's website at www.wenteleng.com.</p> <p>During the Board Meetings, the Chairman fosters a collaborative atmosphere, encouraging open and frank deliberations, and ensures active participation from all Directors in the discussions. The Chairman also ensures that decisions are made based on sound and well-informed judgement, with careful evaluation of all strategic and critical issues by the Board.</p> <p>Based on the results of the annual assessment of the Non-Executive Chairman's roles and responsibilities for the financial year ended 31 December 2023 ("FYE 2023") conducted, the NC was satisfied with his performance which had contributed positively to the Board and the Group.</p> <p>Mr. Ban Kim Wah will continue to instil good corporate governance practices, leadership and effectiveness of the Board. The full profile of the Chairman in the Profile of the Board of Directors of the Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The roles and responsibilities of the Chairman and Group CEO are exercised by different individuals and are clear and distinct. Mr. Ban Kim Wah is the Non-Independent Non-Executive Chairman while Mr. Chuah Chong Syn is the Group CEO of the Company.</p> <p>The position of the Chairman and Group CEO has a clear accepted division of responsibilities to ensure there is a balance of power and authority to promote accountability and that their respective roles and responsibilities are governed by the Company's Board Charter.</p> <p>The Chairman is responsible for instilling good corporate governance practices and leadership, and for ensuring Board effectiveness, while the Group CEO has overall responsibilities over the day-to-day management of the Group's business and implementation of the Board's policies and decisions.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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	: Departure
Explanation on application of the practice	: Please provide an explanation on how the practice is being applied.
Explanation for departure	: The Chairman of the Board, Mr. Ban Kim Wah is not a member of the ARMC, NC and RC of the Company.
	The Chairman of the Board was invited to the committee meetings to provide input on the matters discussed. His participation and deliberations in the committee meetings were duly minuted at the committee meetings. However, he had, at all times, abstained from voting or participating in decision making regarding the resolutions, proposals and matters presented for approval during the meetings to prevent any potential conflict of interest situation.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group is currently outsourcing the corporate secretarial function to Cospec Management Services Sdn. Bhd.</p> <p>The Board is supported by two (2) Company Secretaries who are experienced and qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 ("Act") and are registered holders of the Practising Certificate issued by the Companies Commission of Malaysia.</p> <p>The Board acknowledges that the Company Secretaries play an important role and will ensure that the Company Secretaries fulfil the functions for which they have been appointed.</p> <p>The Company Secretaries play an important role in facilitating the overall compliance with the Act, ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Malaysian Code on Corporate Governance ("MCCG") and other relevant laws and regulations. The Company Secretaries also assist the Board and Board Committees to function effectively and in accordance with their TOR and best practices and ensure adherence to the existing Board policies and procedures. In order to discharge the roles effectively, the Company Secretaries have been continuously attending the necessary training programmes, conferences or seminars organised by relevant authorities and/or professional bodies to keep themselves abreast with the latest developments in the corporate governance realm and changes in regulatory requirements that are relevant to their profession and enable them to provide the necessary advisory role to the Board.</p> <p>The Board has direct access to the professional advice and services of the Company Secretaries and their team when performing their duties and discharging their responsibilities.</p> <p>During the financial year under review, the Board and Board Committees' meetings were properly convened, and accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.</p>

	Overall, the Board is satisfied with the performance and support rendered by the Company Secretaries and their team to the Board in the discharge of their duties and functions.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>To facilitate the Directors' time planning, an annual meeting calendar is prepared in advance of each new year by the Company Secretaries. The meeting calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees as well as the annual general meeting ("AGM"). The closed periods for dealings in securities by Directors and principal officers based on the scheduled dates of meetings for making announcements of the Group's quarterly results were also provided therein.</p> <p>Notices of Board meetings, along with meeting papers, are generally provided to Board members at least five (5) working days before the meeting dates. This ensures that Directors have ample time and information to make informed decisions at each meeting.</p> <p>The discussions and conclusions of matters addressed in meetings are accurately recorded in meeting minutes. Draft minutes are circulated to the Board or Committee's Chairman for review within a reasonable timeframe following meetings. These minutes accurately capture deliberations and decisions, including instances where a Director abstains from voting or deliberating on a particular matter.</p> <p>All the records of proceedings and resolutions passed are kept at the registered office of the Company.</p> <p>For matters which require the Board's decision on an urgent basis outside of Board Meetings, relevant supporting documents along with the Directors' Written Resolution will be circulated for the Board's consideration. All written resolutions approved by the Board will be tabled for notation at the next Board Meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company’s website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has formalised and adopted a Board Charter on 22 June 2023 outlining the roles and responsibilities of the Board, Board Committee, individual Directors, Group CEO and Management, as well as issues and decisions reserved for the Board’s consideration.</p> <p>This Board Charter serves as a guiding literature to the Board in fulfilling its fiduciary and leadership functions.</p> <p>The Board Charter will be reviewed and updated as and when necessary to ensure alignment with the Group’s policies and procedures, the Board’s overall responsibilities as well as changes to legislation and regulations.</p> <p>The Board Charter is available on the Company’s website at www.wenteleng.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted a Code of Ethics and Conduct which was incorporated in the Board Charter of the Company and published on the Company's website at www.wenteleng.com.</p> <p>The Board has incorporated the anti-bribery and anti-corruption requirements to be observed by the Directors and employees of the Group under the Code of Ethics and Conduct.</p> <p>The Code of Ethics and Conduct is to be observed by all Directors and employees of the Group and will be reviewed by the Board regularly to ensure that it continues to remain relevant and appropriate.</p> <p>The Board will review the Code of Ethics and Conduct from time to time to ensure that it continues to remain relevant and appropriate.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises whistle blowing as an important mechanism in the prevention and detection of improper conduct, harassment or corruption in the conduct of the Group's businesses and operations.</p> <p>The Board has adopted a Whistle Blowing Policy on 22 June 2023 to provide a defined avenue and accessible reporting channels for all employees of the Group to raise concerns or disclose any improper conduct within the Group which is available on the Company's corporate website at www.wenteleng.com.</p> <p>The Board will review and update the Whistle Blowing Policy at least once every three (3) years to ensure its effectiveness and consistency with the governing legislation and regulatory requirements.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>Given the Board's emphasis on the strategic importance of sustainability to the Group, the Board has adopted the Group's Sustainability Policy on 28 December 2023.</p> <p>The Board together with the Management takes responsibility for the governance of sustainability in the Company, including setting the Company's sustainability strategies, priorities and targets. Performance against these clearly set targets is communicated to the Company's internal and external stakeholders.</p> <p>As part of the efforts to promote and build sustainability momentum within the Group, Management has implemented the following measures:-</p> <ul style="list-style-type: none">• Strengthening financial practices to deliver sustainable returns to the stakeholders.• Mitigating any negative environment impacts and conserving the surrounding environment.• Fostering a robust, diverse and capable workforce, and creating a safe workplace. <p>In addition, the ARMC is also empowered to assist the Board in overseeing the Company's sustainability implementation and reporting, rooted in Economic, Environmental, Social and Governance pillars. This responsibility has been incorporated into the TOR of ARMC as well.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

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 Board is cognisant of the fact that the Company's internal and external stakeholders should receive an unfiltered and complete view of the Company's sustainability strategies, priorities, targets and overall performance. This information should be comprehensive and include information on which stakeholders would be able to assess the Company's sustainability risks and opportunities.</p> <p>The Company has engaged with stakeholders in a variety of ways which has been done at both the business units and group levels through formal and informal activities. The collective opinions and insights from the stakeholders help the Board make an informed decision while aligning the stakeholders' expectations with the Company's sustainability priorities and business approach.</p> <p>Details pertaining to the stakeholders' engagement are available in the Sustainability Statement in the Annual Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board, through the NC, assessed the training programmes attended by each Director during the financial year to ensure they remain updated on the latest developments and sustainability issues relevant to the Group. This includes factors driving climate change, sustainable finance and achieving a sustainable business model.</p> <p>The key training programmes attended by each Director during the FYE 2023 are set out in the Corporate Governance Overview Statement of Annual Report 2023.</p> <p>The Company Secretaries regularly update the Board on the changes in the Listing Requirements and/or other regulatory requirements upon receiving the circulars from Bursa Securities and/or other regulators, which are relevant to the Company and provide advice on corporate disclosures and compliance issues.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board and the Senior Management have performed their respective roles in addressing material sustainability risks and opportunities.</p> <p>The performance evaluation of the Board in addressing the Group’s strategic and business plans which promote sustainability materials matters was evaluated through the annual Board’s effectiveness evaluation for the FYE 2023.</p> <p>For the Senior Management team, this aspect is included in their performance evaluation as part of their key performance indicators, which are reviewed annually.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The NC oversees the overall composition of the Board, ensuring an appropriate mix of skills, experience and core competencies, as well as a balance between Executive Director and Independent Non-Executive Directors.</p> <p>The effectiveness of the Board and the contribution of each Director, as well as the Board's various committees, are assessed annually.</p> <p>The Board is mindful that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years as recommended by the MCGG. However, if the Board intends to retain a Director who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting. During the FYE 2023, none of the Directors has served the Board as an Independent Director of the Company for a cumulative term of more than nine (9) years.</p> <p>The annual re-election of retiring Directors has been contingent on a satisfactory evaluation of the retiring Directors' performance and contribution to the Board.</p> <p>Furthermore, the Directors' Fit and Proper Policy was adopted on 28 December 2023, guiding the NC and the Board in the appointment and re-election of Directors of the Group. This policy is available on the Company's website at www.wenteleng.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied												
Explanation on application of the practice	:	<p>The present composition of the Board complies with Rule 15.02 of the Listing Requirements of Bursa Securities and Practice 5.2 of the MCGG as half of the Board comprises Independent Directors. All the Independent Directors are satisfied with the independence test under the Listing Requirements of Bursa Securities.</p> <p>The current Board composition is as follows:-</p> <table border="1"><thead><tr><th>Name</th><th>Designation</th></tr></thead><tbody><tr><td>Ban Kim Wah</td><td>Non-Independent Non-Executive Chairman</td></tr><tr><td>Wong Chun Wei</td><td>Executive Director</td></tr><tr><td>Siow Chin How</td><td>Independent Non-Executive Director</td></tr><tr><td>Soo Wee Loon</td><td>Independent Non-Executive Director</td></tr><tr><td>Wang Sze Min</td><td>Independent Non-Executive Director</td></tr></tbody></table>	Name	Designation	Ban Kim Wah	Non-Independent Non-Executive Chairman	Wong Chun Wei	Executive Director	Siow Chin How	Independent Non-Executive Director	Soo Wee Loon	Independent Non-Executive Director	Wang Sze Min	Independent Non-Executive Director
Name	Designation													
Ban Kim Wah	Non-Independent Non-Executive Chairman													
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Wang Sze Min	Independent Non-Executive Director													
Explanation for departure	:													
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>														
Measure	:													
Timeframe	:													

Intended Outcome

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

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied	
Explanation on application of the practice	:	As at 31 December 2023, there are no Independent Directors on the Board who have served beyond 9 years.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is of the view that it is important to recruit and retain the best available talent regardless of gender, ethnicity and age to maximise the effectiveness of the Board.</p> <p>In any appointment, a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge have been considered to maintain a diversified Board and senior management team, which will help to grow and contribute to better governance within the Group.</p> <p>The NC is responsible for leading the process for the nomination of new Board appointments and making the necessary recommendations to the Board. In this respect, the role of the NC is detailed in its TOR, which is accessible on the Company's website at www.wenteleng.com.</p> <p>The Board had on 28 December 2023 adopted the Directors' Fit and proper Policy to ensure a transparent and rigorous process for the appointment and re-election of directors of the Group. This Policy is accessible on the Company's corporate website, www.wenteleng.com.</p> <p>The Board has also adopted the Nomination and Appointment of New Directors Process and Procedures to formalise the process for the nomination and appointment of new Directors to be undertaken by the NC and the Board in discharging their responsibilities in terms of the nomination and appointment of new Directors of the Group.</p> <p>In making its recommendations to the Board, the NC considers and assesses the suitability of a new appointment based on objective criteria, including:</p> <ul style="list-style-type: none">• Qualification;• Required competencies, skills, expertise and experience;• Specialist knowledge or technical skills;• Professionalism and integrity; and

	<ul style="list-style-type: none"> Time commitment to the Company based on the number of directorships held in other companies. 	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The appointment of a new Director is a matter for consideration and decision by the Board, following an appropriate assessment and recommendation from the NC.</p> <p>Board members are to be appointed in a formal and transparent practice as endorsed by the MCCG. The NC will scrutinise the candidates and recommend the same for the Board's approval. The NC uses a variety of sources for the identification of suitable candidates.</p> <p>The NC is open to referrals from external sources available, such as industry acquaintances, contacts in related industries, consultants, etc to gain access to a wide pool of potential candidates besides tapping on the recommendations from existing Board members, Management or major shareholders. Shortlisted candidates would be required to furnish their curriculum vitae containing information on their academic/professional qualification, work experience, employment history and experience (if any) as directors of listed companies.</p> <p>The NC will perform an annual review of the required mix of skills and experience and other qualities including core competencies that Directors should bring to the Board and assess the effectiveness of the Board as a whole, as well as, look into succession planning, boardroom and gender diversity to ensure the effectiveness of the Board.</p> <p>The policies and procedures for the recruitment and appointment of Directors are guided by the Terms of Reference of the NC.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>The performance of retiring Directors recommended for re-election at the first AGM ("1st AGM") has been assessed through the NC annual evaluation (including the independence of the Independent Non-Executive Directors) and recommended to the Board for approval.</p> <p>The profiles of the Directors due for retirement and offering themselves for re-election, including the nature of interest with the Company, whichever is applicable, are set out in the Annual Report 2023. At the forthcoming 1st AGM, all Directors are subject to re-election pursuant to the Company's Constitution.</p> <p>A statement by the Board and NC expressing satisfaction with the performance and effectiveness of the retiring Directors who offered themselves for re-election at the 1st AGM was stated in the notes accompanying the Notice of 1st AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	The NC is currently chaired by Ms. Soo Wee Loon, an Independent Non-Executive Director of the Company. The details and/or profile of the Chairperson are disclosed in the Annual Report 2023.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	The Board comprises five (5) Directors, out of whom two (2) are women, representing 40% female representation at the Board level.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has formalised and adopted a Gender Diversity Policy on 28 December 2023 which provides a framework for the Company to improve its gender diversity at the Board level and Senior Management level.</p> <p>The Company acknowledges the importance of promoting gender diversity at the Board and senior management level and will actively work towards having more female Directors and senior management. However, to avoid any mismatch and ineffective appointment of the female Directors and senior management, the Company does not set any specific target for female Directors and senior management in this Policy.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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 Company has in place a formal process for assessment of the effectiveness of the Board and the Board Committees as a whole and the contribution by each Director, including the independence of the Independent Non-Executive Director to the effectiveness of the Board and Committees, making reference to the guides available and the good corporate governance compliance.</p> <p>The assessment of the Board and Board Committees is performed on a Board review whilst the assessment of the individual Directors is performed on a peer review basis. Each Director is provided with the assessment forms for their completion prior to the meeting. The results of all assessments and comments by the Directors are summarised and deliberated at the NC meeting and thereafter the NC's Chairperson will report the results and deliberation to the Board.</p> <p>The annual assessment criteria of the Board and Board Committees and individual Directors were updated to stay aligned with the MCCG practices. The areas covered in the aforesaid annual assessment criteria are as follows:</p> <table border="1"> <thead> <tr> <th>Evaluation</th> <th>Assessment Criteria</th> </tr> </thead> <tbody> <tr> <td>Board and Board Committees as a whole</td> <td> <ul style="list-style-type: none"> • Role of the Chairman and Executive Director • Board balance, size and composition • Board structure and procedures • Relationship of the Board to Management • Quality and supply of information to the Board/Board's Committees • Access to information and advice </td> </tr> </tbody> </table>	Evaluation	Assessment Criteria	Board and Board Committees as a whole	<ul style="list-style-type: none"> • Role of the Chairman and Executive Director • Board balance, size and composition • Board structure and procedures • Relationship of the Board to Management • Quality and supply of information to the Board/Board's Committees • Access to information and advice
Evaluation	Assessment Criteria				
Board and Board Committees as a whole	<ul style="list-style-type: none"> • Role of the Chairman and Executive Director • Board balance, size and composition • Board structure and procedures • Relationship of the Board to Management • Quality and supply of information to the Board/Board's Committees • Access to information and advice 				

		<ul style="list-style-type: none"> • Accountability for financial reporting, internal control and sustainability risk and opportunities • Relation with Auditors/Shareholders/ Investors • Use of Board Committees • Directors' training
	ARMC	<ul style="list-style-type: none"> • Composition and quality • Oversight of the financial reporting process, including internal controls • Understanding the business, including risk and control environment • Access to information and advice • Oversight of audit functions • Compliance with corporate governance • External Auditors • Staying abreast on issues • Report and recommendations
	Executive Director	<ul style="list-style-type: none"> • Financial • Strategic and sustainability • Conformance and compliance • Business acumen/increasing shareholders' wealth • Succession planning • Personal input to the role
	Non-Executive Chairman	<ul style="list-style-type: none"> • Attendance at Board and Board Committees' meetings • Key responsibilities of the Chairman • Regular contribution to Board/ Board Committee meetings • Personal input to the role
	Non-Executive Directors	<ul style="list-style-type: none"> • Attendance at Board and/or Board Committees' meetings • Adequate preparation for Board and/or Board Committees' meetings • Regular contribution to Board and/or Board Committees' meetings • Personal input to the role
	<p>In respect of the annual performance evaluation for the FYE 2023, it was concluded that:</p> <p>(a) the Board and Board Committees discharged their duties and responsibilities effectively; and</p> <p>(b) each Director continued to perform effectively and demonstrated commitment to his/her role.</p>	

	<p>The Board is satisfied with the current evaluation process. The Board will continue to review the Board’s evaluation process as and when necessary to ensure it remains a valuable feedback mechanism for improving the Board's effectiveness.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

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 established a formal and transparent Remuneration Policy on 28 December 2023 to guide the determination of the Directors' and/or Senior Management's remuneration, which takes into account the demands, complexities and performance of the Company as well as skills and experience required. The Remuneration Policy is available on the Company's website at www.wenteleng.com.</p> <p>The Board, assisted by the RC, implements the policy and procedures on remuneration, which includes reviewing and recommending the proposed remuneration packages of the Directors of the Company. The RC is responsible for ensuring that the remuneration packages are benchmarked with industry standards in light of the Group's performance in the industry as well as commensurate with the expected responsibility and contribution by the Directors and link to the strategic objectives of the Group.</p> <p>The Executive Director and senior management remuneration comprise fixed salaries and performance-based incentive components, while the remuneration of Non-Executive Directors consists of Directors' fees and shall not be based on commission, percentage of profits or turnover.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:		
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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	:	<p>The Board, assisted by the RC, implements the policy and procedures on remuneration, which includes reviewing and recommending the proposed remuneration packages of the Directors of the Company. The RC seeks to ensure that the remuneration packages are commensurate with the expected responsibility and contribution by the Directors and link to the strategic objectives of the Company.</p> <p>The RC consist of the following members, all being Independent Non-Executive Directors:</p> <table border="1"> <thead> <tr> <th>RC</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>Wang Sze Min</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>Soo Wee Loon</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>Siow Chin How</td> <td>Independent Non-Executive Director</td> </tr> </tbody> </table> <p>The TOR of RC is accessible on the Company's website at www.wenteleng.com.</p> <p>The RC is principally responsible for the development and review of the remuneration policy and packages of Directors, where necessary, and subsequently tables their recommendations to the Board on specific adjustments in remuneration (including fees and benefits) to commensurate the contributions of the Directors.</p> <p>Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.</p>	RC	Designation	Wang Sze Min	Independent Non-Executive Director	Soo Wee Loon	Independent Non-Executive Director	Siow Chin How	Independent Non-Executive Director
RC	Designation									
Wang Sze Min	Independent Non-Executive Director									
Soo Wee Loon	Independent Non-Executive Director									
Siow Chin How	Independent Non-Executive Director									
Explanation for departure	:									

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 a named basis for the remuneration of individual Directors for the FYE 2023 is set out below and also in the Corporate Governance Overview Statement of the Annual Report 2023.

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	Ban Kim Wah	Non-Executive Non-Independent Director	-	-	-	-	-	-	-	-	-	39	-	-	2	41
2	Wong Chun Wei	Executive Director	-	-	-	-	-	-	-	-	-	239	32	-	34	305
3	Siow Chin How	Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Soo Wee Loon	Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Wang Sze Min	Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6																
7																
8																
9																
10																
11																
12																
13																
14																

Intended Outcome

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

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Due to the confidentiality and sensitivity of the remuneration packages of Senior Management as well as security concerns, the Board opts not to disclose the Senior Management's remuneration components on a named basis in the bands of RM50,000.	
		The Board is of the view that the disclosure of the Senior Management's remuneration components on a named basis will not be in the best interest of the Company given that the competitive human resources environment as such disclosure may give rise to recruitment and talent retention issues.	
		As an alternative, the Board is of the view that the disclosure of Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000 in the Company's Annual Report 2023 is adequate.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Board is Mr. Ban Kim Wah while the ARMC Chairman is Mr. Siow Chin How. The separation of positions is to ensure that the Board's review of the ARMC's findings and recommendations is not impaired.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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	:	<p>The Group recognises the importance of the independence of its external auditors and that no possible conflict of interest whatsoever should arise.</p> <p>Currently, ARMC comprises three (3) members and none of the members were former key audit partners of the external auditors appointed by the Company. The Company will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the ARMC was a key audit partner of the external auditors of the Group.</p> <p>The requirement for former key audit partners of the external audit firm to observe a cooling off period of at least three (3) years before being appointed as a member of the ARMC has been incorporated as part of the TOR of the ARMC.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is 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 Board had established an External Auditors Assessment Policy along with an annual assessment form. This policy outlines the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability and independence of the External Auditors.</p> <p>The annual evaluation form provides a checklist for the ARMC to carry out a formal review of the independence, effectiveness and efficiency of the External Auditors of the Company that consider, among others, the following criteria:-</p> <ul style="list-style-type: none">(a) Calibre of the audit firm;(b) Quality of the audit engagement team;(c) Quality of communication and interaction with the audit team;(d) Audit scope and quality processes;(e) Audit governance and independence; and(f) Audit fee. <p>Annually, the ARMC reviews the appointment, performance and remuneration of the External Auditors before recommending them to the shareholders for re-appointment in the AGM.</p> <p>The External Auditors are restricted from providing any services that may impair their independence or conflict with their role as External Auditors.</p> <p>The ARMC receives assurance from the External Auditors, confirming their independence throughout the audit engagement, in accordance with the terms of all relevant professional and regulatory requirements.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted								
Explanation on adoption of the practice	:	<p>The ARMC comprises three (3) members who are exclusively Independent Non-Executive Directors. The composition of the ARMC is as follows:</p> <table border="1"><thead><tr><th>ARMC</th><th>Designation</th></tr></thead><tbody><tr><td>Siow Chin How</td><td>Independent Non-Executive Director</td></tr><tr><td>Soo Wee Loon</td><td>Independent Non-Executive Director</td></tr><tr><td>Wang Sze Min</td><td>Independent Non-Executive Director</td></tr></tbody></table>	ARMC	Designation	Siow Chin How	Independent Non-Executive Director	Soo Wee Loon	Independent Non-Executive Director	Wang Sze Min	Independent Non-Executive Director
ARMC	Designation									
Siow Chin How	Independent Non-Executive Director									
Soo Wee Loon	Independent Non-Executive Director									
Wang Sze Min	Independent Non-Executive Director									

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The ARMC Chairman, Mr. Siow Chin How is a Chartered Accountant of the Malaysian Institute of Accountants, a chartered member of The Institute of Internal Auditors Malaysia, a member of the Certified Practising Accountants of Australia and a Chartered Accountant of Singapore of the Institute of Singapore Chartered Accounts.</p> <p>The members of the ARMC are financially literate and possess the necessary skills and knowledge to discharge their duties in accordance with the TOR of the ARMC. They are able to understand the Group's business and matters under the purview of the ARMC including the financial reporting process.</p> <p>All members of the ARMC have also undertaken and will continue to undertake continuous professional development to keep themselves abreast of the relevant developments in accounting and auditing standards, practices ad rules. The details of the training attended by the ARMC members for the FYE 2023 are disclosed in the Annual Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges its overall responsibility for maintaining a sound system of internal control to safeguard shareholders' investments and the Company's assets. The system of internal control covers not only financial controls but operational and compliance controls and risk management.</p> <p>The Board has delegated the responsibility of reviewing the adequacy and effectiveness of the risk management and internal control systems to the ARMC.</p> <p>Details of the Group's risk management and internal control framework are set out in the Statement on Risk Management and Internal Control of the Annual Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 key features of the Company's risk management and internal control framework, which cover their adequacy and effectiveness are disclosed under the Statement on Risk Management and Internal Control in the Annual Report 2023.</p> <p>The Board acknowledges the critical role of robust risk management and internal control practices in fostering good corporate governance. The Board affirms its responsibility for ensuring the Group's system is able to adequately and effectively manage significant risks. The Group has in place an ongoing process for identifying, evaluating and managing significant risks through a framework that includes a reporting structure. The Group's system of internal control is designed to manage and control risks appropriately, rather than eliminate the risk of failure to achieve business objectives. Given the inherent limitations in all control systems, these control systems can only provide reasonable and not absolute assurance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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>In preparation for the listing of the Company on the ACE Market of Bursa Securities, the Company engaged GovernanceAdvisory.com Sdn. Bhd. ("GA"), an independent internal audit consulting firm, as its Internal Control Consultant to review the adequacy and sufficiency of systems, procedures and controls of the Group.</p> <p>Subsequent to the listing exercise, the Group continued to entrust GA with the internal audit function. GA reports directly to the ARMC on the adequacy and effectiveness of the Group's risk management and internal control systems.</p> <p>Save for the Internal Control Review performed in conjunction with the listing exercise, no internal audit work was performed during the FYE 2023 as the Company was only listed on 6 February 2024 and the outsourced Internal Auditor, GA, was appointed at the ARMC Meeting held 29 February 2024.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies 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>In preparation for the listing of the Company on the ACE Market of Bursa Securities, the Company had engaged GA, an independent internal audit consulting firm, as its Internal Control Consultant to review the adequacy and sufficiency of systems, procedures and controls of the Group.</p> <p>Subsequent to the listing exercise, the Group continued to entrust GA with the internal audit function.</p> <p>The profile of GA is set out as follows:-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Principal Engagement Lead</td> <td style="width: 5%;">:</td> <td>Mr. Wong Tchen Cheg (<i>Executive Director</i>)</td> </tr> <tr> <td>Qualification</td> <td>:</td> <td> <ul style="list-style-type: none"> • Member of Malaysia Institute of Accountant (MIA) • Member of CPA Australia </td> </tr> <tr> <td>Experiences</td> <td>:</td> <td>Mr. Wong Tchen Cheg has over seventeen (17) years of professional experiences in providing financial due diligence review, enterprise risk management system, and internal control reviews.</td> </tr> <tr> <td>No. of resources</td> <td>:</td> <td>The outsourced internal auditor assigned a group of four (4) personnel to perform internal audits for the Group.</td> </tr> </table> <p>For FYE 2023, the GA’s engagement team personnel affirmed to the ARMC that in relation to the Group, they were free from any relationships or conflicts of interest, which could impair their objectivity and independency.</p>	Principal Engagement Lead	:	Mr. Wong Tchen Cheg (<i>Executive Director</i>)	Qualification	:	<ul style="list-style-type: none"> • Member of Malaysia Institute of Accountant (MIA) • Member of CPA Australia 	Experiences	:	Mr. Wong Tchen Cheg has over seventeen (17) years of professional experiences in providing financial due diligence review, enterprise risk management system, and internal control reviews.	No. of resources	:	The outsourced internal auditor assigned a group of four (4) personnel to perform internal audits for the Group.
Principal Engagement Lead	:	Mr. Wong Tchen Cheg (<i>Executive Director</i>)												
Qualification	:	<ul style="list-style-type: none"> • Member of Malaysia Institute of Accountant (MIA) • Member of CPA Australia 												
Experiences	:	Mr. Wong Tchen Cheg has over seventeen (17) years of professional experiences in providing financial due diligence review, enterprise risk management system, and internal control reviews.												
No. of resources	:	The outsourced internal auditor assigned a group of four (4) personnel to perform internal audits for the Group.												

	The outsourced internal auditor performs their work by referring to a recognised framework, such as the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of being transparent and accountable to the Company's stakeholders and acknowledges that continuous communication between the Company and stakeholders would facilitate mutual understanding of each other's objectives and expectations. As such, the Board consistently ensures prompt and timely dissemination of information to the shareholders and the investors, for them to make informed investment decisions.</p> <p>The Company has adopted the Corporate Disclosure Policy, which is applicable to the Board and all employees of the Group, in handling and disclosing material information to our shareholders and the investing public.</p> <p>Information is communicated through various channels, including interim quarterly financial results and announcements made to Bursa Securities, Annual Reports, press releases and the Company's website.</p> <p>The Company's corporate website at www.wenteleng.com, offers comprehensive corporate information about the Company and is accessible to the public. It includes a dedicated Investor Relations section which provides all relevant information of the Group, including announcements, financial information and corporate governance. Contact details including telephone number, fax number and email address are also available on the Company's corporate website where stakeholders may direct their queries or concerns to the Company.</p> <p>Additionally, the upcoming 1st AGM of the Company or other general meeting also serve as another key avenue for shareholders to engage with the Company where they may raise questions and concerns or seek clarifications on the Company's business and reports from the Company Directors.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
Timeframe	:		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

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

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The forthcoming 1st AGM of the Company will be held on 31 May 2024 and the Notice of the 1st AGM accompanying the Annual Report 2023 of the Company will be issued to the shareholders and published on a nationally circulated newspaper on 30 April 2024 (i.e., at least twenty eight (28) days prior to the date of the forthcoming 1st AGM). This also complies with the twenty-one (21) days' notice requirement as required under the Act.</p> <p>The notice of the general meeting provides a detailed explanation for the resolutions proposed along with any background information and reports or recommendations that are relevant, where required and necessary, to enable shareholders to have sufficient time to consider the resolutions that will be discussed and to make informed decisions in exercising their voting rights.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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>The Company was listed on the ACE Market of Bursa Securities on 6 February 2024 and will be convening its 1st AGM as a public listed company on 31 May 2024. All Directors are fully committed to attending the 1st AGM and actively engaging with shareholders personally and proactively.</p> <p>The general meetings will serve as a platform for the Company, the Board members, key senior management, Company Secretaries and the External Auditors to effectively communicate with shareholders of the Company.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company was listed on the ACE Market of Bursa Securities on 6 February 2024 and will be convening its 1st AGM as a public listed company on 31 May 2024.</p> <p>The forthcoming 1st AGM will be held at Hop Sing II (Hall) of Ponderosa Golf & Country Resort Berhad, No. 3, Jalan Ponderosa 1, Taman Ponderosa, 81100 Johor Bahru, Johor.</p> <p>Shareholders that are unable to attend the AGM are encouraged to appoint the Chairman or any person(s) as their proxy(ies) to attend, participate, speak and vote at the meetings on their behalf and represent them.</p> <p>The Company will explore the use of technology to enable voting, including absentee voting and remote shareholder participation at general meetings in the future. Before implementing these measures, the Board will consider various factors and conditions: -</p> <ul style="list-style-type: none">• Affordability of the necessary technology and infrastructure;• Sufficient representation of shareholders residing in remote locations; and• The age profile of the shareholders. <p>These considerations will ensure that any technology adoption aligns with the Company's resources and shareholder demographics.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 13.4

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	: As the Company was listed on 6 February 2024, the forthcoming AGM will mark the first AGM held by the Company after its listing on the ACE Market of Bursa Securities. The Chairman recognises the significance of the 1st AGM as a pivotal opportunity for effective communication with shareholders and encourages constructive feedback. At the 1st AGM, active shareholder participation will be encouraged, providing an open platform for shareholders to pose questions about the Group. The Board, senior management, Company Secretaries, and External Auditors will be available during the meeting to address any inquiries from shareholders. This approach ensures transparency and fosters shareholder engagement, reflecting the Company's commitment to accountability and communication.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 13.5

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 :	Not applicable – only physical general meetings were conducted in the financial year
Explanation on application of the practice :	
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.6

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 forthcoming 1 st AGM will be the first AGM of the Company. The Board will ensure that the minutes of the 1 st AGM will be made available on the Company's website at www.wenteleng.com no later than thirty (30) business days after the 1 st AGM upon confirmation by the Board.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**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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