

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0141
COMPANY NAME : WINTONI GROUP BERHAD
FINANCIAL YEAR : December 31, 2019

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 Wintoni Group Berhad (“Wintoni”) is responsible for the overall business direction, strategies and management of the Company and has developed corporate objectives and position descriptions including the limits to management’s responsibilities, which the management are aware and responsible for meeting. The Board delegates the day to day management to the Executive Directors, save for the significant matters reserved for the Board’s approval, such as the review and approval of the financial results (quarterly or annually), declaration of dividends, review annual budget and business plan, issuance of new shares, major capital expenditure, disposals or aquisition of significant fixed assets and etc.</p> <p>The Board has steered the Company in a business direction that promote sustainability in its business operation and corporate value. The Company has put in place ongoing efforts with the aim to expand its supplier base and customer base as well as to continue improving their service quality to better serve customers and is actively in search for new businesses to diversify its stream of income.</p> <p>Kindly refer to the Corporate Governance Overview Statement in the Annual Report 2019 for further details on the Board Leadership.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is led by Encik Mohd Nasir Bin Salleh, the Independent Non-Executive Chairman who is capable to lead the Board based on his leadership and at the same time guided by the independent advice and views from the Independent Directors, who offer the necessary checks and balances in the decision making process of the Board.</p> <p>The Chairman plays an instrumental role in providing leadership to the Board for all aspects of the Board's roles and responsibilities, ensuring that operations conform to the Board's strategic directions, Company's vision and corporate policies, as well as facilitating the communication and understanding between the Management and the Board.</p> <p>The Chairman presides over board meetings and ensures that all Directors' views are heard, ensures sufficient time for discussion of each agenda, and provides fair opportunity to all Directors to participate actively and constructively during the meetings and discussions.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The roles of Chairman and Executive Directors are exercised by different individuals. A clear segregation of their responsibilities and powers is stated and defined in the Company's Board Charter. Besides ensuring an appropriate balance of power and authority, the segregation of roles facilitates an open exchange of views and opinions between the Chairman and the Executive Directors in their deliberation of the business, strategies and key operations of the Group and ensure that no one individual has unfettered powers of decision making.</p> <p>The Chairman is responsible for the achievement of the Group's strategic vision and also for leading the Board in its collective oversight of the Company while the Executive Directors focus on the business and day-to-day management of the Group and implementation of the Board's decision.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is assisted by a qualified and competent Company Secretary who is a Fellow member of the Malaysian Institute of Chartered Secretaries and Administrators. The Company Secretary provides support to the Board in carrying out its fiduciary duties and stewardship role in shaping the standard of corporate governance of the Group. In this respect, she plays an advisory role to the Board, particularly with regards to the Company's Constitution (or otherwise known as the Memorandum and Articles of Association), Board's policies and procedures as well as its compliance with regulatory requirements, codes, guidelines, legislations and the principles of best corporate governance practices.</p> <p>The Company Secretary also attends all Board, Board Committee and general meetings, and ensures that deliberations at the meetings are accurately minuted and kept in the minutes books and subsequently communicated to the relevant party for necessary actions. Such minutes of meetings are confirmed by the respective Board Committees and signed by the Chairman of the meeting.</p> <p>The Company Secretary is also responsible for the proper maintenance of secretarial records, preparation of resolutions and other secretarial functions of the Company.</p> <p>All Directors have unrestricted access to the advice and services of the Company Secretary for the purposes of the Board's affairs and the business of the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.5

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	:	Reasonable notice of meetings and the agenda on the business to be conducted at the meetings were circulated to all Directors at least one (1) week before each meeting. The board papers that provided relevant information such as minutes of previous meetings, management reports and financial reports were furnished to the Directors at least five (5) working days prior to the Board meeting so that each Director had ample time to review the papers to enable informed decision making. The Directors also reviewed and confirmed the minutes of the meetings to ensure they accurately reflect the deliberations and decision of the Board, including whether and director abstained from voting or deliberate on a particular matter (wherever relevant).
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	:	The Board has formally adopted a Board Charter which provides guidance to the Board in the fulfilment of its roles, duties and responsibilities. The Board Charter was drawn up in line with the Board's commitment to comply with relevant legislations, regulations and the principles of good corporate governance. The Board Charter outlines the composition and structure of the Board, the Board's roles, duties and responsibilities, and processes and procedures for Board meeting. The Board Charter will be reviewed periodically and updated from time to time to reflect changes to and ensure compliance with the Company's policies, procedures and processes as well as changes to legislations and regulations. The Board Charter is available on the Company's website at: https://wintonigroup.com/board-charter/ .
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>Good governance at all levels is essential for sustainable development. The Board is committed to embrace the highest standards of corporate governance practices and ethical standard throughout the Group.</p> <p>In this respect, the Group has established a Code of Ethics and Conduct to provide direction and guidance to all Directors, Senior Management, employees and external parties in the discharge of their duties and responsibilities that will be in the best interest of the Group. The Code of Ethics and Conduct had been uploaded on the Company's website at https://wintonigroup.com/code-of-conduct/</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 is committed to achieve and maintain high standards of corporate governance practices across the Group. A Whistle-blowing policy is implemented to provide a channel to enable Directors, Employees, Shareholders, Vendors or any parties with a business relationship of the Group with an avenue to report suspected wrongdoings that may adversely impact the Group to the Chairman of Audit and Risk Management Committee. It also outlines the procedures for reporting a genuine concern on any breach of conduct that are taking place, have taken place or may take place in the future. The Company treats all reports in a confidential manner and at the same time provides protection to anyone who reports such concerns in good faith.</p> <p>Further details pertaining to the Whistle-blowing Policy can be found at the Company's website at https://wintonigroup.com/whistle-blowing-policy/.</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

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

Practice 4.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The present Board, comprises five (5) Directors i.e. one (1) Independent Non-Executive Chairman, Two (2) Independent Non-Executive Directors and two (2) Non-Independent Executive Directors.</p> <p>The Board believes that the current size and composition reflects an appropriate balance of Executive and Non-Executive Directors, which is adequate for the scope and nature of the Group’s business and operations.</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 4.2

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 justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

Application	:	Not applicable - No independent director(s) serving beyond 9 years	
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

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

Practice 4.3 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years.

Application	:	Adopted
Explanation on adoption of the practice	:	The policy is stated in the Terms of Reference of Nomination and Remuneration Committee which is accessible on the Company's website's at https://wintonigroup.com/terms-of-reference-nomination-committee/ .

Intended Outcome

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

Practice 4.4

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board delegates the screening and evaluation process of candidates for nomination to the Board and the Directors to be nominated for re-election to the Nomination and Remuneration Committee.</p> <p>The Nomination and Remuneration Committee has the responsibility to ensure that the Board comprises suitably qualified members that demonstrate appropriate and diverse qualities, skills, competencies and experience that contributes to effective oversight and stewardship.</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 4.5

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	<p>The Board has no specific policy on gender, age and ethnicity for candidates to be appointed to the Board. The evaluation of the suitability of candidates is based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company.</p> <p>The Board is aware of the importance of boardroom diversity and is indeed supportive of the recommendation of the MCCG to the establishment of boardroom and workforce policy, and as such is striving in the right direction to ensure the boardroom comprises of at least 30% women directors by sourcing for suitable female candidate to sit on the board of the Company.</p> <p>The Board has tasked the Nomination and Remuneration Committee to take the necessary steps to ensure that gender, age and ethnicity of the candidates will be taken into consideration as part of its recruitment exercise.</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 4.6

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.

Application	:	Applied
Explanation on application of the practice	:	<p>Appointments of new Directors are undertaken by the Board as a whole after considering the recommendations of the Nomination and Remuneration Committee. Potential candidates may be proposed by any current Board member, shareholder or senior management personnel, or by utilising independent sources such as recruitment firms or through industry associations.</p> <p>In considering potential candidates for appointment, the Nomination and Remuneration Committee undertakes a thorough review of the candidate's criteria, amongst others, qualifications, skills, knowledge, expertise, experience, personal attributes and the capability to devote the necessary time and commitment to the role.</p> <p>During the financial year, two (2) Directors, namely Mr. Yeo Chen Ying and Mr. Ah Kow @ Choo Ah Kow were appointed to the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.7

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

Application	:	Applied		
Explanation on application of the practice	:	The Nomination and Remuneration Committee comprises exclusively of Independent Non-Executive Directors and is chaired by the Independent Non-Executive Director.		
		Name of Director	Designation	No. of Meetings Attended
		Encik Kamal Bin Abdul Aziz <i>(Appointed on 11 September 2017)</i>	(Chairman)	1/1
		Encik Mohd Nasir bin Salleh <i>(Appointed on 11 September 2017)</i>	(Member)	1/1
		Ms. Wong Mei Tien <i>(Appointed on 11 September 2017 and resigned on 27 May 2020)</i>	(Member)	1/1
		Mr. Ah Kow @ Choo Ah Kow <i>(Appointed on 15 October 2019)</i>	(Member)	1/1
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 5.1

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 and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>As the Board and the Committee are relatively new, formed upon the upliftment of the Company's liquidation status on 1 October 2019, whereby the Company has only been in operations for approximately three (3) months during the financial year, a formal and annual assessment to determine the performance of the Board, Board Committees and individual Directors is yet to be carried out.</p> <p>However, the Company is aware of the significance of such an assessment. As such, moving forward, the Nomination and Remuneration Committee shall perform an assessment of the effectiveness and performance of the Board, Board Committees and individual Directors, in order to verify that the Board is functioning appropriately and effectively as a whole.</p> <p>An evaluation of each Board Committee will be carried out by assessing the structure, roles and responsibilities, performance of the respective Chairman, as well as committee's performance against its Terms of Reference. The assessment was internally facilitated, whereby results of the assessments had been compiled, documented and reported to the Board accordingly, as part of the Company's ongoing corporate governance practices.</p>
<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

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 6.1

The board has in place 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 policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination and Remuneration Committee is responsible for recommending to the Board the remuneration framework for Directors as well as the remuneration packages of Executive Directors. The Executive Directors did not participate directly in any way in determining their individual remuneration. The policy is stated in the terms of reference of the Nomination and Remuneration Committee which is made available on the Company's website at https://wintonigroup.com/terms-of-reference-nomination-committee/</p> <p>The Board determines the remuneration of Non-Executive Directors with individual Directors abstaining from decisions in respect of their individual remuneration. The Board recommends the Director's fees payable to Independent Non-Executive Directors on a yearly basis to the shareholders for approval at the Annual General 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

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 6.2

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 Nomination and Remuneration Committee was established to assist the Board in developing remuneration policies and procedures that enable the Group to attract, motivate and retain qualified Directors and key Senior Management personnel. Full details of the functions and duties of the Nomination and Remuneration Committee are stated in its Terms of Reference which is available on the Company's website, https://wintonigroup.com/terms-of-reference-nomination-committee/ The Nomination and Remuneration Committee comprises wholly Independent Non-Executive Directors.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 7.1

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 breakdown of individual Directors' remuneration is disclosed in the Corporate Governance Overview Statement of the 2019 Annual Report.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 7.2

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	:	The Company was under liquidation from July 2017 up till 1 October 2019, as such, the Company has merely been operating for 3 months prior to the Financial Year Ended 31 December 2019. Hence, there was no remuneration incurred for senior management.
<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 7.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.1

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 Audit and Risk Management Committee is not the Chairman of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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 8.2

The Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	The Group has always recognised the need to uphold independence. None of the members of the Board were former key audit partners within the cooling-off period of two (2) 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

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 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

Application	:	Applied
Explanation on application of the practice	:	<p>The external auditors of the Company fulfil an essential role in giving assurance to the Company's shareholders on the reliability of the Group's financial statements.</p> <p>The Audit and Risk Management Committee reviews the independence, performance and remuneration of the External Auditors before recommending them to the shareholders for re-appointment in the AGM on an annual basis. The External Auditors would provide written assurance to the Board in respect of its independence to act as the External Auditors of the Group. The Audit and Risk Management Committee would convene a private session with the External Auditors without the presence of the Executive Directors.</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 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The Audit and Risk Management Committee comprises exclusively of Independent Non-Executive Directors.

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 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate 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 Audit and Risk Management Committee consists of three (3) members, all of whom are independent Non-Executive Directors. The Chairman of the Audit and Risk Management Committee is a member of the Malaysian Institute of Accountants and has relevant financial experience and expertise to effectively fulfil the role of Audit Committee Chairman.</p> <p>The Directors were encouraged to participate in various training programs, seminars and courses to keep abreast of the relevant developments to enable them to discharge their duties effectively.</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 9.1

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

Application	:	Applied
Explanation on application of the practice	:	The Board acknowledges that risk management and internal control system are an integral part of effective management practice. As risk is inherent in all business activities, hence it is not the Group's objective to eliminate risk totally. There is an on-going process in place to identify, evaluate, monitor and manage key risks faced by the Group and the Board reviews the key risks highlighted to ensure the relevant action is taken to mitigate the risk of the Group to safeguard shareholders' investment and Group's assets, and this said process is monitored by the Audit and Risk Management Committee.
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 9.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Departure
Explanation on application of the practice	:	.
Explanation for departure	:	<p>The Company was under liquidation since 2017 up till 1 October 2019, and as such, the Company has merely been operating for 3 months prior to the Financial Year ended 31 December 2019.</p> <p>The Board is of the view that there is limited time to resolve significant breakdown or weaknesses in the current system of its risk management and internal control framework of the Group. However, the Board is currently planning to outsource the internal audit function to an independent internal auditor.</p>
<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 9.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Board acknowledges its overall responsibility to maintain effective governance, risk management and compliance framework. Supported by Executive Directors the Audit and Risk Management Committee, the Board ensures the adequacy and effectiveness of the Group's risk management and internal control practices. The Board is responsible to ensure that the Group complies with all applicable provisions of the law and regulations and ensures that appropriate risk management systems are in place throughout the Group.</p> <p>The Audit and Risk Management Committee assists the Board to oversee and review the effectiveness of the Group's risk management and internal control systems. To facilitate effective monitoring, the Board receives reports from the Executive Directors on any risks related to its business activities that have impacted or likely to impact the Group in achieving its objectives and implementing its strategies.</p> <p>Details of the Group's risk management and internal control framework are presented in the Statement on Risk Management and Internal Control of the 2019 Annual Report.</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 10.1

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company was under liquidation since 2017 up till 1 October 2019, and as such, the Company has merely been operating for 3 months prior to the Financial Year ended 31 December 2019.	
		The Board is of the view that there is limited time to resolve significant breakdown or weaknesses in the current system of its risk management and internal control framework of the Group. However, the Board is currently planning to outsource the internal audit function to an independent internal auditor.	
<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 10.2

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Company was under liquidation since 2017 up till 1 October 2019, and as such, the Company has merely been operating for 3 months prior to the Financial Year ended 31 December 2019.
		The Board is of the view that there is limited time to resolve significant breakdown or weaknesses in the current system of risk management and internal control framework of the Group. Moving forward, the Board has decided to outsource the internal audit function to an independent internal auditor.
<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 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Annual General Meeting (“AGM”) is the key element of the Company’s dialogue with its shareholders. Shareholders are encouraged to ask questions pertaining to the resolutions being proposed, the Company’s operations in general or about the Annual Reports of the Company and its Group in the forthcoming 9th AGM of the Company.</p> <p>In view of the Covid-19 pandemic and the Conditional Movement Control Order (CMCO) put in place by the Government of Malaysia, the 9th AGM of the Company will be a fully virtual AGM.</p> <p>Due to the restrictions arising from the CMCO in relation to the convening of meetings, and to adhere to the best practices of safe shareholders participation, members of the Board will be remotely addressing questions raised amidst the Company’s forthcoming 9th AGM.</p> <p>An administrative guide shall be despatched together with the Company’s Annual Report all shareholders to provide guidance to the shareholders on the mode of virtual participation and voting as well as the manner in which questions may be raised at the Company’s forthcoming 9th AGM.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

There is 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 11.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company is not categorised as a large company under the MCCG and has not adopted the integrated reporting based on a globally recognised framework.	
	:		
<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 12.1

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Notice of forthcoming AGM to be held on 30 June 2020 was served on 8 June 2020, which is more than 21 days prior to the date of the AGM in accordance to the Company's Constitution (or otherwise known as Memorandum and Articles of Association).
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Company shall ensure compliance with the MCCG by circulating the notice of an AGM to the shareholders at least 28 days prior to AGM's to be held in the future. This will allow shareholders sufficient time to arrive at informed decisions. All notices of meetings are also accompanied by explanatory notes on the items of business to further explain the nature of business of the meeting.
Timeframe	:	

Intended Outcome

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

Practice 12.2

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 Directors of the Company have been briefed on the importance of their attendance at the Company’s forthcoming 9th AGM.</p> <p>The Audit and Risk Management Committee Chairman and the Nomination and Remuneration Committee Chairman are well informed that questions relating to their designated Committee under their purview must be addressed by them accordingly.</p> <p>Due to the restrictions arising from the Conditional Movement Control Order in relation to the convening of meetings, and to adhere to the best practices of safe shareholders participation, selective members of the Board and Committee will be remotely addressing questions raised amidst the Company’s forthcoming 9th AGM.</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

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

Practice 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

Application	:	Applied
Explanation on application of the practice	:	<p>It is the Company's intention to leverage on technology to facilitate greater shareholders' participation at General Meetings of the Company.</p> <p>In view of the Covid-19 pandemic outbreak and the Conditional Movement Control Order (CMCO) implemented by the Government of Malaysia, the 9th AGM of the Company dated 30 June 2020 at 3.00 p.m. will be conducted on a fully virtual basis through live streaming from the broadcast venue that allows shareholders to remotely participate and vote with online facilities amidst the CMCO, which is in accordance with the guide provided by the Securities Commission Malaysia on the Conduct of General Meetings for Listed Issuers.</p> <p>Shareholders will not be physically present at the broadcast venue on the day of the 9th AGM and will instead register their attendance, participate and vote remotely at the 9th AGM using virtual meeting facilities.</p> <p>An administrative guide on the remote participation and voting facilities for the 9th AGM shall be despatched together with the Company's Annual Report 2019 to all shareholders to provide guidance to the shareholders on the mode of virtual participation and voting as well as the manner in which questions may be raised at the Company's forthcoming 9th AGM. The said administrative guide is also available for download at a: https://wintonigroup.com/administrative-guide/.</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	:	

**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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