

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 7374

**COMPANY NAME** : Tien Wah Press 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 PERSUANT 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors (the "<b>Board</b>") of Tien Wah Press Holdings Berhad ("<b>TWPH</b>" or "<b>the Company</b>") is committed in observing and fostering a corporate governance culture that is founded on the hallmarks of accountability, objectivity and transparency. The Board is dedicated to discharge its duties with objectivity, diligence and skill in fulfilling its role as stewards of the Company.</p> <p>In order to ensure the sustainability and profitability of the business, the Board approved the Company and its subsidiaries' (the "<b>Group</b>") annual business plan during the Board Meetings. The Board, together with Management, reviewed the Group's strategy and the Board had satisfied itself that all appropriate considerations had been taken into account in the formulation of the Group's strategy in sustaining its business. The Board has also established key performance indicators ("<b>KPIs</b>") to define, measure and monitor the performance and progress towards achieving the Company's targets.</p> <p>The day-to-day management of the business and operations of the Group is delegated to the Chief Executive Officer ("<b>CEO</b>") and the Senior Management Team. The Board is kept informed of key strategic initiatives, significant operational issues, environmental, social and governance ("<b>ESG</b>") matters as well as the Group's performance as presented by the CEO during the Board Meetings. The Board promotes sustainable business practices covering ESG aspects, which are strongly believed to translate into better corporate performance.</p> <p>The Board strives to ensure there are regular communications with all its stakeholders, regardless of individual or institutional investors, or the wider stakeholders at large, through the timely releases of quarterly financial results, circulars, corporate announcements and annual reports.</p>

	<p>To ensure accountability, the Board retains full responsibility for guiding and monitoring the Company, in respect of the Group's business and the Board Charter sets out the respective roles and responsibilities of the Board and Board Committees. In discharging its fiduciary duties, certain functions have been delegated by the Board to the Board Committees namely, Audit and Risk Committee ("<b>ARC</b>"), Nomination Committee ("<b>NC</b>") and Remuneration Committee ("<b>RC</b>").</p> <p>The Board is assisted by the ARC in ensuring the Group's financial reporting processes are effective and the quality of the financial reporting is of the high standard. The ARC reviewed the quarterly financial reports prior to its recommendation to the Board for approval and announcements to Bursa Malaysia Securities Berhad ("<b>Bursa Securities</b>").</p> <p>The ARC would assist the Board to identify, evaluate, monitor and manage any relevant major risks faced by the Group that may hinder the achievement of the Company's business objectives through the quarterly reports provided by the Management based on the Company's established Enterprise Risk Management framework ("<b>ERM Framework</b>").</p> <p>Through the ERM Framework and the updates by the Management, the Board took note and understood the risks surrounding all of the Group's business, and would periodically engage with the Management to ensure that the risks involved in the business decisions undertaken based on predetermined risk appetite are properly managed or mitigated. The ARC monitors and manages the significant risks faced by the business throughout the financial year under review.</p>
<p><b>Explanation for departure</b></p>	<p>:</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><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The TWPH's Board is led by Mr Yen Wen Hwa (Ngan Tzee Manh) ("<b>Mr Yen Wen Hwa</b>"), the Non-Independent Non-Executive Chairman of the Company. He was appointed to the Board and elected as an Executive Chairman on 16 February 2015. He was re-designed from Executive Chairman to Non-Independent Non-Executive Chairman on 1 January 2021. He is the founder of New Toyo International Holdings Ltd ("<b>NTIH</b>") Group, a major shareholder and ultimate holding Company of TWPH.</p> <p>The Chairman of TWPH is responsible for providing leadership to the Board and ensuring the effective functioning of the Board. In fulfilling his role, the responsibilities undertaken by the Chairman include, amongst others:-</p> <ul style="list-style-type: none"><li>• leading the Board in the oversight of management;</li><li>• representing the Board to shareholders and chairing general meetings of shareholders;</li><li>• setting the Board agenda and ensuring the provision of accurate, timely, complete and clear information to Directors;</li><li>• leading and chairing Board meetings and discussions;</li><li>• ensuring appropriate steps are taken to provide effective communication with shareholders and relevant stakeholders and their views are communicated to the Board as a whole;</li><li>• encouraging active participation and allowing dissenting views to be freely expressed;</li><li>• managing the interface between the Board and Management;</li><li>• leading the Board in establishing and monitoring good corporate governance practices in the Group;</li><li>• maintaining regular dialogue with the CEO over all operational matters and consulting with the remainder of the Board promptly over any matters that gives him/her cause for major concern;</li><li>• functioning as a facilitator at meetings of the Board to ensure that no member, whether executive or non-executive, dominates discussion, that appropriate discussions takes place and that relevant opinions among members is forthcoming. The Chairman will ensure that discussions result in logical and understandable outcomes;</li><li>• ensuring that all Directors are enabled and encouraged to participate in its activities. This includes ensuring that all relevant issues are on the agenda and that all Directors</li></ul>

	<p>receive timely, relevant information and that they are properly briefed on issues arising at Board Meetings; and</p> <ul style="list-style-type: none"> <li>ensure that general meetings support meaningful engagement between the Board, Management and shareholders. The engagement should be interactive and include robust discussion on among others the Group's financial and non-financial performance as well as the Group's long-term strategies.</li> </ul> <p>The detailed roles and responsibilities of the Chairman are encapsulated in the Board Charter available on the Company's website at <a href="http://www.tienwah.com">www.tienwah.com</a>.</p> <p>Based on the results of the assessment of the Board Chairman's roles and responsibilities for the financial year ended 31 December 2023, the Board concluded that the Board Chairman had performed in an excellent manner and had contributed positively to the Board and the Group.</p>
<p><b>Explanation for departure</b> :</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><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of exercising objective oversight over Management in order to guard the interest of the Company and its stakeholders. Stemming from this, the Board aims to ensure that there is an appropriate balance of power to prevent any single individual from dominating deliberations and the decision-making process.</p> <p>Appropriately, the role of Chairman and CEO are held by two (2) different individuals. There is a clear division of responsibilities between the two (2) roles, which is clearly defined in the Board Charter, to ensure that there is an appropriate balance of power and authority.</p> <p>The position of Chairman is held by Mr Yen Wen Hwa whilst the position of CEO is held by Mr Lee Chee Whye ("<b>Mr Lee</b>"). Mr Lee is an Executive Director of the Company.</p> <p>The roles of the Chairman are disclosed in Practice 1.2 of this report. Mr Yen Wen Hwa, who acting as the Non-Independent Non-Executive Chairman during the financial year under review, is responsible for strategic planning, business development, formulation of high level-strategies and directing its overall growth and business operations of the Group.</p> <p>The Executive Director and CEO, Mr Lee is responsible for the day to day management of the business. The responsibilities of the CEO include, amongst others:</p> <ul style="list-style-type: none"><li>• executive management of the Group's Business covering, inter alia, the development of a strategic plan; an annual operating plan and budget; performance benchmarks to gauge Management performance and the analysis of Management reports;</li><li>• developing long-term strategic and short-term profit plans, designed to ensure that the Group's requirements for growth, profitability and return on capital are achieved;</li><li>• be the official spokesman for the Group and responsible for regulatory, governmental and Business relationships;</li><li>• coordinates Business plans with the businesses heads, coordinates Management issues through the Board, and oversees divisional function groups and cost containment process in consultation with the Group Finance Director;</li></ul>

	The duties and responsibilities of the CEO are provided in the Board Charter, which is available on the Company's website at <a href="http://www.tienwah.com">www.tienwah.com</a> .	
<b>Explanation for departure</b>		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>		
<b>Timeframe</b>		

**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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Chairman of the Board, Mr Yen Wen Hwa is not a member of the ARC, NC and RC of the Company.  The Board acknowledges the importance of Practice 1.4 and has limit the risk of self-review which may impair the objectivity of both the Chairman and the Board when deliberating on the observations and recommendations put forth by the Board Committees. The Chairman of the Board understands that he should not be involved in these Committees to ensure there is a check and balance, as well as objective review by the Board.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  



### 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board is supported by two (2) professionally qualified and competent Company Secretaries, namely Ms Tai Yit Chan and Ms Tan Ai Ning, both are the fellow members of the Malaysian Institute of Chartered Secretaries and Administrators (“<b>MAICSA</b>”), qualified under Section 235(2) of the Companies Act 2016 (“<b>Companies Act 2016</b>”), registered with the Companies Commission of Malaysia under Section 241 of the CA 2016, and both hold a practising certificate issued by the Registrar of Companies.</p> <p>The Board is regularly apprised and advised by both Company Secretaries on statutory and regulatory updates and requirements as well as pertinent governance matters. In discharging their role as counsels to the Board, the Company Secretaries also ensure proper supply of relevant information as well as the accuracy and adequacy of meeting materials, recording of meeting minutes and resolutions of the Board and Board Committees. The Company Secretaries also serve as a focal point for stakeholders' communication and engagement on corporate governance issues.</p> <p>Pursuant to Paragraph 15.08(2) of the Main Market Listing Requirements (“<b>MMLR</b>”) of Bursa Securities, the Board of Directors must, on a continuous basis, evaluate and determine the training needs of its members. The Board, through NC, had considered the areas/topics of training relating to formulation of strategy as part of the Directors' continuing education programmes. In this respect, the Company Secretaries had proposed some training and development programmes to the Board for consideration during the financial year end.</p> <p>The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and development in corporate governance through attending relevant conferences and training programmes. They have also attended the relevant continuous professional development programmes as required by the Companies Commission of Malaysia or MAICSA for practising Company secretaries. Detailed information on the functional accountabilities of the Company Secretaries is encapsulated in the Board Charter available on the Company's website at <a href="http://www.tienwah.com">www.tienwah.com</a>.</p>

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

### 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board members are provided with the necessary materials in advance of each Board and Board Committee meetings. Materials provided to the Board include but not limited to:-</p> <ul style="list-style-type: none"><li>• Financial reports;</li><li>• Report on current trade and business matters from the CEO;</li><li>• Proposals on capital expenditure (if any);</li><li>• Proposals on merger, acquisitions and disposals (if any);</li><li>• Annual budget or Business Plan; and</li><li>• Reports of Board Committees (if any).</li></ul> <p>To ensure the meetings run in a smooth and seamless manner, Board papers and agenda items are circulated at least five (5) business days prior to the meeting. The Board also requires a brief listing of findings and/or recommendations of management to be prepared before any new report is tabled to the Board.</p> <p>In order to ensure all the Directors are able to attend the Board and Board Committee meetings, the calendar for the Board and Board Committee meetings is circulated in advance before the commencement of the year which allows the Directors to plan their schedules. The Board and Board Committee meetings proceeded in a hybrid manner as per schedule in order for the Board members to discharge their duties and responsibilities effectively. The Board Committee meetings are not combined with the Board meetings to enable objective and independent discussion during the meetings.</p> <p>All pertinent issues discussed at the Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries and the representatives of the Company Secretaries, including matters where Directors abstained from voting and deliberation.</p> <p>The minutes of Board and Board Committee meetings are prepared within a reasonable period following the Board and Board Committee meetings. The draft minutes are circulated together with the Board papers at the subsequent Board and Board Committee meetings. The Board and Board Committee requires the minutes to include information on the processes and</p>

	<p>decisions made in the meeting as opposed to a historical narrative of the discussion.</p> <p>The minutes of meetings records the decisions, including key deliberations, rationale for each decision made and any concerns or dissenting issues. In addition to the provision, the Directors, either as a group or individually, may upon obtaining prior Board's approval seek independent advice, where necessary, at the Company's expenses on any matters in relation to the discharge of their duties.</p>	
<p><b>Explanation for departure</b></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><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of TWPH has put in place a Board Charter which serves the Board as a primary reference point on governance matters.</p> <p>The Board Charter covers amongst others, the following matters:-</p> <ul style="list-style-type: none"><li>(i) Role and responsibilities of the Board;</li><li>(ii) Structure of the Board;</li><li>(iii) Role of the Chairman;</li><li>(iv) Role of the CEO;</li><li>(v) Role of the Independent Director;</li><li>(vi) Role of the Senior Independent Director;</li><li>(vii) Tenure of Directors;</li><li>(viii) Role of the Company Secretary;</li><li>(ix) Role of the Board Committees;</li><li>(x) Relationship with stakeholders;</li><li>(xi) Accountability and audit; and</li><li>(xii) Board processes and procedures.</li></ul> <p>In developing and reviewing the Board Charter, the Board has taken into account the applicable rules, laws and regulations as well as internal policies.</p> <p>The Board shall reserve a formal schedule of matters for its decision to ensure that the direction and control of the Group is firmly in its hands. This includes the following:-</p> <ul style="list-style-type: none"><li>(i) strategic issues and planning;</li><li>(ii) material acquisition and disposal of assets;</li><li>(iii) capital expenditure;</li><li>(iv) authority levels;</li><li>(v) treasury policies;</li><li>(vi) risk management policies;</li><li>(vii) appointment of auditors and review of the financial statements encompassing annual audited financial statements and quarterly reports;</li></ul>

	<ul style="list-style-type: none"> <li>(viii) reviewing and approving new investments, divestments, mergers and acquisitions, establishment of subsidiaries or joint ventures, and any other corporate exercise which requires the shareholders' approval;</li> <li>(ix) financing and borrowing activities;</li> <li>(x) ensuring regulatory compliance;</li> <li>(xi) declaration of dividends;</li> <li>(xii) business plans and budget;</li> <li>(xiii) appointment of Directors, CEO, Group Finance Director and other key responsible persons;</li> <li>(xiv) reviewing the adequacy and integrity of internal controls;</li> <li>(xv) limits of authority;</li> <li>(xvi) conflict of interest and potential conflict of interest issue relating to a substantial shareholder, a Director and/or key senior management, including approving related party transactions;</li> <li>(xvii) codes, frameworks, policies and procedures, which was previously approved by the Board; and</li> <li>(xviii) sustainability risks and opportunities.</li> </ul> <p>The Board Charter is periodically reviewed by the Board and updated based on the prevailing regulatory promulgations. The Board Charter is updated in accordance with the requirements of the Group and any new regulations that may have an impact on the discharge of the Board's responsibilities.</p> <p>The Board Charter was last reviewed and approved by the Board on 26 February 2024 and is available on the Company's website at <a href="http://www.tienwah.com">www.tienwah.com</a>.</p>
<b>Explanation for departure</b> :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>In tandem with the Board's aspiration to ingrain and engender appropriate standards of conduct and ethical practices, the Board has established a Code of Conduct and Code of Ethics that are to be strictly complied with by the Directors and members of the Management and all employees of the Company including its subsidiaries.</p> <p>The Code of Conduct covers the following overarching areas:-</p> <ul style="list-style-type: none"><li>• Equal treatment of all employees</li><li>• Ensure a safe and secure working environment;</li><li>• Environmental protection;</li><li>• Avoidance of accepting gifts and business courtesies;</li><li>• Maintain complete and accurate business records;</li><li>• Ensure high integrity and professionalism;</li><li>• Ensure protection of confidential information; and</li><li>• Complying with laws including bribes and corruption, insider trading, money laundering, abuse of power, fair dealing and conflict of interest.</li></ul> <p>The Code of Ethics covers the following overarching areas:-</p> <ul style="list-style-type: none"><li>• Corporate Governance;</li><li>• Conflict of interest and</li><li>• Social responsibilities and the environment.</li></ul> <p>The Code of Conduct and Code of Ethics are made available on the Company's website at <a href="http://www.tienwah.com">www.tienwah.com</a> and are subjected to periodic reviews to ensure it is kept up-to-date.</p> <p>The Company had adopted the Anti-Bribery and Anti- Corruption Policy ("<b>ABAC Policy</b>") on 1 June 2020 and revised on 26 February 2024 to ensure that it has adequate procedures in place to prevent persons associated with the Group from undertaking corrupt conduct in relation to the business activities.</p>

	<p>The ABAC Policy covers, amongst others, the following matters:-</p> <ul style="list-style-type: none"> <li>• Conflict of interest;</li> <li>• Gift, Entertainment, Hospitality, Travel, Donation and Sponsorship;</li> <li>• Facilitation payments;</li> <li>• Business associate;</li> <li>• Money laundering;</li> <li>• Non-compliance;</li> <li>• Record keeping for managing documentation;</li> <li>• Whistleblowing channel;</li> <li>• Awareness and training; and</li> <li>• Monitoring, periodic review and disclosure.</li> </ul> <p>A copy of the ABAC Policy is made available in the Company's website at <a href="http://www.tienwah.com">www.tienwah.com</a>.</p> <p>The Group has in place an Insider Dealing Policy whereby Directors and employees of the Group are prohibited from trading in the securities, particularly when they are in possession of price-sensitive information and knowledge of facts which have not been publicly announced.</p> <p>The Company Secretaries will also send notices on the closed period for trading in the Company's listed securities to the Board and Principal Officers on a quarterly basis to remind the Board and Principal Officers not to deal with the Company's listed securities during the specific timeframe when holding such sensitive information.</p>
<p><b>Explanation for departure</b></p>	<p>:</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><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>



**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board, has formalised a Whistle Blower Policy that is applicable to all employees as well as stakeholders of the Company. The Whistle Blower Policy outlines avenues for employees, vendor, partners, associates and any stakeholders of the Company to raise legitimate concerns relating to potential breaches of business conduct, non-compliance with legal and regulatory requirements as well as other malpractices.</p> <p>The Board, through the Whistle Blower Policy, emphasises that reports from whistleblowers would be treated with utmost confidentiality and will be thoroughly investigated. All complaints received will be kept confidential and will be shared only on a “need to know” basis. The Chairman of the ARC will investigate all complaints and will endeavour to protect the identity and anonymity of the complainant. The policy also provides an avenue for whistleblowers to contact the Company Secretary(ies) or the CEO directly if they choose to waive their anonymity.</p> <p>The Whistle Blower Policy is made available on the Company’s website at <a href="http://www.tienwah.com">www.tienwah.com</a> and is subjected to periodic reviews by the Board.</p> <p>During the financial year under review, there were no cases reported to the Chairman of the ARC.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Company is focused on enhancing its forte to stay relevant in this competitive business environment. As such, a Sustainability Working Group (“<b>SWG</b>”) headed by the CEO was established to plan and implement sustainability initiatives.</p> <p>The SWG comprises of representatives from relevant departments and is supported by sustainability champions across the Group. The Board is supported by the ARC, which is responsible to monitor the progress of implementation of sustainability initiatives, based on the directions set by the Board.</p> <p>The following are the three (3) pronged approaches applied by the Company in managing the business sustainability:-</p> <ol style="list-style-type: none"><li>Ensuring a sustainability-infused operation;</li><li>Fostering a culture of achievements into the workforce; and</li><li>Being an eco-centric corporate citizen.</li></ol> <p>The Board has in place a Sustainability Policy which directs the Group in managing changes related to environment, social and governance issues enabling the Group to achieve long term returns with a lower risk profile.</p> <p>The Board is proactive when it comes to oversees the planning, performance and long-term strategy of the Company, to ensure the Company remains resilient and is able to deliver durable and sustainable value as well as maintain the confidence of its stakeholders.</p> <p>The Management has developed a five (5)-year ESG roadmap and sustainability targets to integrate the principles of sustainability into the Group's strategies, policies and procedures and the focus areas are as follows:-</p> <ul style="list-style-type: none"><li>Focus area 1: Governance</li></ul>

	<ul style="list-style-type: none"> <li>• Focus Area 2: Strategy</li> <li>• Focus Area 3: Integrated Risk Management</li> <li>• Focus Area 4: Performance Monitoring</li> <li>• Focus Area 5: Change Management</li> <li>• Focus Area 6: Operations</li> </ul> <p>Progress on the implementation of the Group's sustainability initiatives, ESG targets and other significant ESG matters are brought to the attention of the Board through the SWG for deliberation and strategic management.</p>	
<b>Explanation for departure</b> :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>As a Group, the well-being of customers, employees and other stakeholders as well as the environment is crucial to sustaining the Group’s long-term performance. The Board factors in these sustainability considerations and ensures that the Company’s strategies, priorities and targets are communicated to internal and external stakeholders. As such the Company incorporates Economic, Environment and Social (“EES”) risks and opportunities into the business decisions given their heightened materiality in decision-making considerations of stakeholders. The Group considers the integration of EES factors as a component of the Board’s fiduciary responsibility.</p> <p>Details pertaining to the stakeholders’ engagement are available in the Sustainability Report in the Annual Report 2023.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board monitor the overall sustainability strategy and direction of the Group to ensure long-term value creation.</p> <p>The Board continuously keeps itself abreast of and understands the sustainability agendas which are relevant to the Company and its business through periodic updates by Bursa Securities, Securities Commission Malaysia and the training programmes attended by its members respectively. The Board had attended a training on ESG in May 2023.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Annual Assessment and Evaluation for year 2023 had included ESG elements and skills and experience required to drive ESG strategy and implementation.</p> <p>The NC and the Board are of the view that the current skills matrix is adequate to meet the strategic objectives of the Group. However, greater emphasis is to be placed on ESG strategies and mapping progress against planned objectives.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<i>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.</i>	
<b>Application</b>	: Adopted
<b>Explanation on adoption of the practice</b>	: The Group CEO has been designated to lead a Sustainability Working Group (“SWG”) to plan and implement the sustainability initiatives. SWG comprises of representatives from relevant departments and is supported by sustainability champions across various functions within the Group. SWG aims to integrate sustainability considerations into day-to day operations in line with the Group’s strategy and targets.  The Sustainability Governance Structure is illustrated below:-  <pre>graph TD; SWG[Sustainability Working Group] --&gt; CEO[Chief Executive Officer]; CEO --&gt; AR[Audit and Risk Committee]; AR --&gt; Board[Board of Directors];</pre>

### 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.

<b>Application</b>	: Applied										
<b>Explanation on application of the practice</b>	<p>The NC is responsible to oversee and review on an on-going basis, the overall composition of the Board in term of size, the required mix of skills, experience and other qualities and core competencies for the Directors of the Company.</p> <p>The effectiveness of the Board as a whole and the contribution and performance of each individual Director to the effectiveness of the Board and the Board Committees will also be assessed by the NC on an annual basis.</p> <p>The Board Charter has clearly stated that the tenure of an Independent Director is limited to nine (9) years and he/she may continue to serve on Board subject to redesignation as Non-Independent Director. If the Board intends to retain an Independent Director beyond nine (9) years, it should be subjected to annual assessment by the Board Committees, regarding the independence and contributions; and annual shareholders' approval through two-tier voting process in a general meeting, where the Board provides valid justification on the recommendation in the explanatory notes to the resolution in the notice of a general meeting.</p> <p>The tenure of the respective independent directors of TWPH as at 31 December 2023 is listed below:</p> <table border="1"><thead><tr><th>Name of Directors</th><th>Tenure (Approximate)</th></tr></thead><tbody><tr><td>Tung Kum Hon</td><td>7</td></tr><tr><td>John David Cambridge</td><td>7</td></tr><tr><td>Dr Ong Eng Leng @ Ong Eng Lin</td><td>7</td></tr><tr><td>Y.M. Tengku Djan Ley Bin Tengku Mahaleel</td><td>6</td></tr></tbody></table> <p>The NC is also responsible for recommending to the Board, Directors who are standing for re-election at the Annual General Meeting ("<b>AGM</b>"), subject to the NC being satisfied with the</p>	Name of Directors	Tenure (Approximate)	Tung Kum Hon	7	John David Cambridge	7	Dr Ong Eng Leng @ Ong Eng Lin	7	Y.M. Tengku Djan Ley Bin Tengku Mahaleel	6
Name of Directors	Tenure (Approximate)										
Tung Kum Hon	7										
John David Cambridge	7										
Dr Ong Eng Leng @ Ong Eng Lin	7										
Y.M. Tengku Djan Ley Bin Tengku Mahaleel	6										



	<p>performance of the affected Directors based on the Board performance evaluation and Directors' Fit and Proper Policy as a guide to the NC in conducting the relevant Board assessment. The NC not only focused on the evaluation results but also other areas such as skills, experience, professionalism, integrity, character and time commitment.</p> <p>The Directors' Fit and Proper Policy was reviewed and approved on 26 February 2024 and is available on the Company' website at <a href="http://www.tienwah.com">www.tienwah.com</a>.</p> <p>Based on the schedule of rotation, the following Directors are subject to retirement pursuant to Clause 96 of the Company's Constitution at the forthcoming AGM:-</p> <p>(a) Mr Tung Kum Hon;  (b) Mr John David Cambridge; and  (c) Y.M. Tengku Djan Ley Bin Tengku Mahaleel.</p> <p>All the aforesaid Directors have expressed their intention to seek for re-election at the forthcoming AGM.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges that having at least half of the Board to consist of Independent Directors would undeniably elevate objectivity whilst preventing dominance and complacency within the Boardroom.</p> <p>The Board currently consists of four (4) Independent Non-Executive Directors (“<b>INEDs</b>”), one (1) Non-Independent Non-Executive Director and two (2) Executive Directors ensuring more than 50% of the Board comprises of Independent Directors.</p> <p>The current size and composition of the Board is within the range which is appropriate. The Board believes that the current size of the Board is sufficient to enable its Committees to operate and being dynamic and responsive to the needs of the Group.</p> <p>An assessment of independence of the INEDs would be conducted on annual basis. Based on the assessment results during the financial year under review, the Board was satisfied that each INEDs has fulfilled the independence criteria set out in the MMLR of Bursa Securities and they continue to demonstrate their independence through their engagement in all meetings, providing objective challenge to the Management and bringing independent judgment to decisions taken by the Board.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied										
<b>Explanation on application of the practice</b>	:	<p>The Board has set out in its Board Charter that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9)-year period, an Independent Director may continue to serve on the Board subject to the Director's re-designation as Non-Independent Director. If the Board intends to retain an Independent Director beyond nine (9) years, it should be subjected to annual assessment by the Board Committees, regarding the independence and contributions; and annual shareholders' approval through two-tier voting process in a general meeting, where the Board provides valid justification on the recommendation in the explanatory notes to the resolution in the notice of a general meeting.</p> <p>All INEDs have served the Board for less than nine (9) years. The summary of the years of services of the INEDs as at 31 December 2023 is set out below:-</p> <table border="1"><thead><tr><th>Year of Service</th><th>≤ 1</th><th>1 to ≤ 3</th><th>3 to ≤ 6</th><th>6 to ≤ 9</th></tr></thead><tbody><tr><td>No. of Directors</td><td>0</td><td>0</td><td>0</td><td>4</td></tr></tbody></table> <p>The Board was satisfied with the level of independence demonstrated by all the INEDs.</p>	Year of Service	≤ 1	1 to ≤ 3	3 to ≤ 6	6 to ≤ 9	No. of Directors	0	0	0	4
Year of Service	≤ 1	1 to ≤ 3	3 to ≤ 6	6 to ≤ 9								
No. of Directors	0	0	0	4								
<b>Explanation for departure</b>	:											
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>												
<b>Measure</b>	:											
<b>Timeframe</b>	:											

**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.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board has adopted a Diversity Policy to set out the approach to diversity on the Board and workforce of the Group. The Board conducts regular reviews of its composition with the aim to ensure it achieve a diverse Board which is able to unearth a breadth of perspectives. In sourcing for suitable candidates, the Company takes into account the benefits of having different facets of diversity including but not limited to gender, age, ethnicity, nationality, professional background, skills and experience.</p> <p>The Board is currently made up of members with a mix of skill sets, knowledge and experiences (e.g. accounting, finance, project management, human resources, information technology, industrial products, engineering, legal, marketing/sales, and business management), cultural background (Malaysian, Singaporean and Australian) and age (47-84).</p> <p>Each Director is expected to devote sufficient time to the Company in carrying out their duties and responsibilities. In accordance with the MMLR, none of the Board members hold more than five (5) directorships in listed companies.</p> <p>The appointment of Senior Management is also based on predetermined criteria of skill sets and leadership qualities, driven by their respective job descriptions. TWPH has also put in human resource programmes which seeks to address the need for capable individuals at the Senior Management level, taking into account the different dimensions of diversity.</p> <p>There was no Director appointed to the Board during the financial year ended 31 December 2023. To avoid conflict of interest, no active politician in Malaysia was appointed on the Board of the Company as of the date of this report.</p> <p>The Diversity Policy was reviewed and approved by the Board on 23 November 2022 and is available on the Company' website at <a href="http://www.tienwah.com">www.tienwah.com</a>.</p>

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

### 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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>In the past the process with regards to the appointment of new directors to the Board was based on the recommendation of the NC. The Board relied on the existing network and referrals from directors and major shareholder as primary means to source for new directors as they represent a tried and tested method of sourcing high-calibre directors with a sound understanding of the business.</p> <p>Detailed information on the process undertaken by the NC including its process of identifying and appointing a candidate can be found in the Terms of Reference of the NC on the Company's website at <a href="http://www.tienwah.com">www.tienwah.com</a>.</p> <p>The Directors appointment process was carried out based on a methodical process undertaken by the NC. Candidates recommended are thoroughly assessed based on their competence, integrity, character, time commitment and experience as stated in Paragraph 2.20A of the MMLR of Bursa Securities as well as their fitness and propriety in accordance with the Directors' Fit &amp; Proper Policy. The Board will consider referrals from external sources to identify suitably qualified candidates when the need arises in the future and will not solely rely on recommendations from existing Board members, Management and/or major shareholders.</p> <p>During the financial year ended 31 December 2023, there was no new appointment of Director.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b> :		
<b>Timeframe</b> :		



### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Shareholders are kept informed on the Board's decision in respect of appointment of director via announcements to Bursa Securities.</p> <p>The performance of retiring Directors who are recommended for re-election at the forthcoming AGM would be assessed through the Board annual evaluation (including the independence of INED, if applicable) and Directors' Fit and Proper Policy. A statement by the Board and NC being satisfied with the performance and effectiveness of the retiring Directors who offer themselves for re-election at the AGM was stated in the notes accompanying the Notice of AGM.</p> <p>The profile of the Directors who are due for retirement and eligible for re-election, which includes the nature of interest with the Company, if any, are set out in the Annual Report 2023 of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC consist of three (3) INEDs, namely Dr Ong Eng Leng @ Ong Eng Lin, the Chairman of the NC, Mr John David Cambridge and Mr Tung Kum Hon.</p> <p>The Board acknowledges that an effective recruitment and evaluation process of Directors is the bedrock of a high-performing Board. The Board therefore entrusted to Dr Ong Eng Leng @ Ong Eng Lin, as an Independent Director, the responsibility to lead the conduct of the process in an objective manner.</p> <p>In discharging his duties as the Chairman of the NC, he undertakes to perform the following:-</p> <ul style="list-style-type: none"> <li>• lead the annual review of Board Effectiveness Evaluation and Declaration of Fitness and Propriety of a Director, ensuring that the performance of the Board, Board Committees and each individual director is assessed objectively and holistically;</li> <li>• lead the succession planning and appointment of Board members as well as Senior Management;</li> <li>• lead the assessment of Directors' training needs periodically with the aim of devising relevant professional development programmes based on such assessment for recommendation to the Board;</li> <li>• lead the assessment on the size and composition of the Board; and</li> <li>• lead the assessment and consider female candidates as new directors of the Company as and when the opportunity arises.</li> </ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	
------------------	--

**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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Board recognises that a gender-diverse Board could offer greater depth and breadth whilst the diversity at key senior management would lead to better decision-making.</p> <p>Women representation on the Board and in senior management will be taken into consideration when vacancies arise and suitable candidates are identified, underpinned by the overriding primary aim of selecting the best candidate to support the achievement of the Company's strategic objectives.</p> <p>Currently, there is one (1) female Director which represents less than 30% on the Board.</p> <p>The Board affirms that appointment of more woman representatives to the Board and senior management will be prioritised when vacancies arise and when suitable candidates are identified.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company had adopted a Diversity Policy which outlines its approach in achieving and maintaining diversity (including gender diversity) on the Board. The Board reviews its diversity policy as and when needed based on changing environment. The Board Diversity Policy can be downloaded from the Company's website at <a href="http://www.tienwah.com">www.tienwah.com</a>.</p> <p>Whilst the Board recognises that MCCG had recommended for listed issuers to have at least 30% women directors, any appointment of director on the Board is only made after objective and thorough assessment by the NC of the appropriateness of the candidate's skills and experience to the position as well as the Company's requirement at that point of time.</p> <p>As for Senior Management, the Company strives for equal employment opportunity of which the positions are to be filled with the most suitable candidates on the basis of qualifications, relevant experience, performance potentials and any other attributes required of the job.</p> <p>A statistic on diversity of the Board and Senior Management (including gender diversity) is provided in the Corporate Governance Overview Statement of the Company's Annual Report 2023.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

*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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board regularly evaluates the performance of Directors along with the governance processes that supports the Board with the aim of improving individual and collective contributions, effectiveness of the Board and its Board Committees.</p> <p>During the year under review, the performance assessment was conducted in-house under the purview of the NC and facilitated by the Company Secretaries.</p> <p>In conducting the Board evaluation, the NC considers, amongst others, the following key areas:-</p> <ul style="list-style-type: none"><li>• Strategic input on each Director;</li><li>• Ethical and value driven behaviour;</li><li>• Competence and capability;</li><li>• Time commitment; and</li><li>• For Independent Directors<ul style="list-style-type: none"><li>- Display of independence and tenure limit.</li></ul></li></ul> <p>Overall, the Board was satisfied with the current approach as each Director is able to provide unbiased opinion and recommendation to improve the governance process of the Group. The Board will continue with the existing practice and will consider engaging an independent expert for the annual assessment on a periodic basis in future.</p> <p>The producers involved in the assessment of the directors are clearly articulated in the Directors Assessment Policy:-</p> <ul style="list-style-type: none"><li>• The NC seeks input from each Director separately;</li></ul>

	<ul style="list-style-type: none"> <li>• The performance is assessed on a quantitative and qualitative basis against criteria set in this policy and the Directors' Fit and Proper Policy;</li> <li>• The result is collated by the Chairman of the Board and NC and reported to the Board;</li> <li>• The Board should undertake an annual assessment of its own performance including suggestion for change or improvement, as well as any skills, training needs or development required over the forthcoming year; and</li> <li>• The Board performance assessment should be conducted on an annual basis and the results of the performance assessment should be documented in a form of report.</li> </ul> <p>Based on the results of the assessment for the financial year ended 31 December 2023, the Board and NC were satisfied with the outcome of the following results:-</p> <ol style="list-style-type: none"> <li>(a) The current composition of the Board, which comprises people who possess a wide range of expertise and experience in various fields with diverse backgrounds and specialisations, would enable the Board to lead and manage the Company effectively;</li> <li>(b) The Board was found to be competent and had a dynamic and balanced mix of skills and experience wherein the Directors were able to contribute effectively to the Board's decision-making process;</li> <li>(c) The Directors had discharged their responsibilities in a commendable manner, acted competently, contributed effectively to the Board and demonstrated full commitment to their duties as Directors;</li> <li>(d) The Board and Board Committees had contributed positively to the Group and were operating in an effective manner;</li> <li>(e) The Board Chairman had performed in an excellent manner and contributed to the Board;</li> <li>(f) The performance of the ARC, NC and RC were found to be effective and consistently exceeding expectations;</li> <li>(g) The Directors, the CEO and the Group Finance Director demonstrated good character, experience, integrity, competence and possess the necessary traits and time to effectively serve on the Board or the Company, as the case may be; and</li> <li>(h) The INEDs had demonstrated their independence through their engagement in meetings and provided objective challenges to the Management as well as independent judgment to decisions made by the Board.</li> </ol>
<b>Explanation for departure</b> :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	

<b>Measure</b>	:		
<b>Timeframe</b>	:		



### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has formalised and adopted policies and procedures to determine the remuneration of Directors and Senior Management. The policies and procedures are premised on the need for the remuneration practices of the Company to be competitive, ensuring the Company is able to attract and retain high-calibre Directors and Senior Management.</p> <p>The remuneration package for Executive Directors is structured to link rewards to corporate and individual performance while Non-Executive Directors' remuneration reflects the experience and level of responsibilities undertaken by individual Non-Executive Directors.</p> <p>Directors' fees and benefits payable to the Non-Executive Directors of the Company are subject to the shareholders' approval at the Company's AGM.</p> <p>The remuneration package of the Senior Management is in the form of salary, benefits and bonus based on the achievement of their KPIs and the Group performance.</p> <p>The remuneration policies and procedures are periodically reviewed by the Board and made available on the Company's website at <a href="http://www.tienwah.com">www.tienwah.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The RC consists of three (3) INEDs namely, Mr John David Cambridge, the Chairman of the RC, Dr Ong Eng Leng @ Ong Eng Lin and Y.M. Tengku Djan Ley Bin Tengku Mahaleel.</p> <p>The RC is responsible to recommend the remuneration framework for non-executive Directors as well as the remuneration packages of the Executive Directors, the CEO and the Senior Management. The RC ensures the remuneration packages are designed to attract, retain and motivate Directors and the Senior Management. The remuneration packages are tailored based on the criteria set out in the Remuneration Policy for Directors and Senior Management. The Executive Directors are prohibited from participating or in deciding their own remuneration packages.</p> <p>The duties and responsibilities of the RC are set out in the Terms of Reference which was last review and approved on 23 November 2022 and will be periodically reviewed by the Board and disclosed on the Company's website at <a href="http://www.tienwah.com">www.tienwah.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In February 2024, the NC and the Board reviewed the Directors' Fees and benefits payable to the Non-Executive Directors and recommended the following for shareholders' approval at the forthcoming AGM of the Company:-</p> <p>(a) The Directors' Fees for Non-Executive Directors up to an aggregate amount of RM823,000.00 per annum for the financial year ending 31 December 2024 and the payment thereof; and</p> <p>(b) The Benefits Payables to the Non-Executive Directors up to an aggregate amount of RM120,000.00 for the period from this AGM until the next AGM of the Company in year 2025, to be paid quarterly in arrears.</p> <p>All the Directors do not receive any remuneration from any of the subsidiaries within the Group.</p> <p>The details of the Directors' remuneration for the financial year ended 31 December 2023 for each individual Director with a breakdown into fees, allowances, salaries and bonus, benefits-in-kind and other emoluments are set out in the table below.</p>

No pe la	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	Mr Yen Wen Hwa (Ngan Tzee Manh)	Non-Executive Non-Independent Director	345	4	0	0	0	0	349	345	4	0	0	0	0	349
2	Dr Ong Eng Leng @ Ong Eng Lin	Independent Director	86	11	0	0	0	0	97	86	11	0	0	0	0	97
3	Mr Tung Kum Hon	Independent Director	108	9	0	0	0	0	117	108	9	0	0	0	0	117
4	Mr John David Cambridge	Independent Director	86	11	0	0	0	0	97	86	11	0	0	0	0	97
5	Y.M. Tengku Djan Ley Bin Tengku Mahaleel	Independent Director	88	10	0	0	0	0	98	88	10	0	0	0	0	98
6	Ms Angela Heng Chor Kiang	Executive Director	0	4	0	0	0	0	4	0	4	0	0	0	0	4
7	Mr Lee Chee Whye	Executive Director	0	106	1,597	0	0	51	1,754	0	106	1,597	0	0	0	1,754

**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.

<b>Application</b>	:	Departure											
<b>Explanation on application of the practice</b>	:												
<b>Explanation for departure</b>	:	<p>The Board is of the opinion that disclosure of individual Top Five (5) Senior Management's remuneration will not have significant effect on the stakeholders' evaluation of the Group's governance.</p> <p>The Board decided to disclose the remuneration of in bands of RM250,000 in view of competitive work market.</p> <p>The details of the remuneration of the Top Five (5) Senior Management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM250,000 during the financial year ended 31 December 2023 are as follows:-</p> <table border="1" data-bbox="587 1144 1377 1371"> <thead> <tr> <th><b>Name of Senior Management</b></th> <th><b>Range of Remuneration Per Annum (Bands of RM250,000)</b></th> </tr> </thead> <tbody> <tr> <td>Gavin Ong Yew Dee</td> <td>RM1,000,000 – RM1,250,000</td> </tr> <tr> <td>Ong Lik Howe</td> <td>RM750,000 – RM1,000,000</td> </tr> <tr> <td>Leong Wai Ming</td> <td>RM500,000 – RM750,000</td> </tr> <tr> <td>Yeo Swee Thiam</td> <td>RM500,000 – RM 750,000</td> </tr> </tbody> </table> <p>The disclosures are made on a Group level. Both (two) of the Executive Directors of the Company also make up the Top Five (5) Senior Management and their remuneration have been disclosed in Practice 8.1 above.</p>		<b>Name of Senior Management</b>	<b>Range of Remuneration Per Annum (Bands of RM250,000)</b>	Gavin Ong Yew Dee	RM1,000,000 – RM1,250,000	Ong Lik Howe	RM750,000 – RM1,000,000	Leong Wai Ming	RM500,000 – RM750,000	Yeo Swee Thiam	RM500,000 – RM 750,000
<b>Name of Senior Management</b>	<b>Range of Remuneration Per Annum (Bands of RM250,000)</b>												
Gavin Ong Yew Dee	RM1,000,000 – RM1,250,000												
Ong Lik Howe	RM750,000 – RM1,000,000												
Leong Wai Ming	RM500,000 – RM750,000												
Yeo Swee Thiam	RM500,000 – RM 750,000												
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>													
<b>Measure</b>	:												
<b>Timeframe</b>	:												



**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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	





**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The positions of the Chairman of the Board and the ARC are held by two (2) different individuals. Mr Tung Kum Hon is an Independent Non-Executive Director and he was appointed as Chairman of the ARC on 1 August 2017. Whereas, the Chairman of the Board is Mr Yen Wen Hwa. This had ensured that the objectivity of the Board's review of the ARC's findings and recommendations is not impaired.</p> <p>Mr Tung Kum Hon possesses more than sixteen (16) years of experience in public accountancy, business advisory and transaction services with PricewaterhouseCoopers Hong Kong and Malaysia, and KPMG Singapore. He holds the following qualifications:-</p> <p>(a) Chartered Accountant and Certified Public Accountant ("CPA");</p> <p>(b) Member of the Malaysian Institute of Certified Public Accountants ("MICPA"); and</p> <p>(c) Malaysian Institute of Accountants ("MIA").</p> <p>His full profile is available on the Company's website at <a href="http://www.tienwah.com">www.tienwah.com</a> and in the Annual Report 2023.</p> <p>The duties and responsibilities of the Chairman of the ARC are outlined in the Terms of Reference of the ARC which was reviewed and approved on 26 February 2024, and is also available on the Company's website.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Terms of Reference of the ARC specifically sets out the requirement for a former key audit partner to observe a cooling off period of at least three (3) years before being appointed as a member of the ARC.</p> <p>Presently, none of the members of the ARC are former key audit partners.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The External Auditors Assessment Policy which sets out the guidelines and procedures for the ARC to review, assess and monitor the performance, suitability, objectivity and independence of the Company's External Auditors is embedded in this Terms of Reference of the ARC.</p> <p>The ARC is responsible for assessing the capabilities and independence of the external auditors and to also recommend to the Board on their appointment, re-appointment or termination of their services to the Company.</p> <p>During the financial year, the ARC has monitored and reviewed the performance and independence of the external auditor, namely, Ernst &amp; Young PLT and satisfied itself that the external auditor has been independent throughout the conduct of the audit process and the audit services rendered have met the quality expected by the ARC and the Group.</p> <p>For the audit of the financial year ended 31 December 2023, Ernst &amp; Young PLT provided the ARC with a written assurance confirming that they were and had been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>During the financial year, the ARC has met with the External Auditors without the presence of Executive Directors and members of management to ensure that the independence and objectivity of the External Auditors were not compromised.</p> <p>Pursuant to the assessment on the suitability and independence of the External Auditors, the ARC made its recommendation to the Board on the re-appointment on the External Auditor together with the payment of the audit fees.</p>
<b>Explanation for departure</b>	:

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

<b>Measure</b> :		
<b>Timeframe</b> :		

**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.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The ARC currently comprises of four (4) Independent Non-Executive Directors, namely Mr Tung Kum Hon (Chairman), Mr John David Cambridge, Dr Ong Eng Leng @ Ong Eng Lin and Y.M. Tengku Djan Ley Bin Tengku Mahaleel.</p> <p>The Board firmly believes the ARC would be able to provide impartial an unbiased view along with the relevant check and balances on matters relating to audit and risk management of the Company with its current composition.</p>

**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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The ARC currently comprises of four (4) Independent Non-Executive Directors, namely Mr Tung Kum Hon (Chairman), Mr John David Cambridge, Dr Ong Eng Leng @ Ong Eng Lin and Y.M. Tengku Djan Ley Bin Tengku Mahaleel.</p> <p>The composition of the ARC allows it to possess a range of skills and the requisite financial literacy to discharge its duties effectively. Mr Tung Kum Hon is an accountant by profession and a member of CPA, MICPA and MIA. His presence on the Board fulfils the requirement of Paragraph 15.09(1)(c) of the MMLR of Bursa Securities which calls for one (1) member of the audit committee to be a member of a professional accountancy body.</p> <p>Mr John David Cambridge holds a degree in Economics and has extensive experience in corporate management. He is also a Chartered Professional Engineer. Dr Ong Eng Leng @ Ong Eng Lin holds a Bachelor of Medicine and a Bachelor of Surgery from the University of Sydney. He has served in numerous advisory Boards prior to his appointment as director of TWPH. Y.M. Tengku Djan Ley Bin Tengku Mahaleel holds a degree in Automotive Engineering. He has more than eighteen (18) years of experience in the automotive industry.</p> <p>All members of the ARC attended the relevant trainings and continuous professional development programmes required to keep themselves abreast of the latest developments in accounting and auditing standards, practices and rules.</p> <p>The details of the activities undertaken by the ARC for the financial year ended 31 December 2023 are set out in the ARC Report as included in the Company's Annual Report 2023.</p> <p>Based on the annual evaluation in regards to term of office and performance of the ARC for the financial year ended 31 December 2023, the Board is satisfied that the ARC had carried out its duties and responsibilities effectively as per its Terms of Reference and</p>



	the ARC as a whole and each member of the ARC have added value and contributed to the overall effectiveness of the ARC.	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board of TWPH is ultimately responsible for reviewing the Company's risks, approving the risk management framework and policy and overseeing the Company's strategic risk management and internal control framework. The Board has set in place the necessary process to identify, evaluate and manage the significant risks that may impact the business objectives of the Company. An ERM framework has been adopted by the Group to manage the diverse risks faced by the Group in accordance with the Company's strategic vision and overall risk appetite.</p> <p>The core elements of ERM involves:-</p> <ul style="list-style-type: none"> <li>(a) Identification of business risks;</li> <li>(b) Measurement of the identified business risks;</li> <li>(c) Control and management of risks in line with the Group's policies and strategies; and</li> <li>(d) Constant monitoring and communicating of risks associated with any activity, function or process in a way that will enable the Group to minimise losses and optimize opportunities.</li> </ul> <p>The Board through ARC, reviews the key risks identified regularly to ensure sufficient measures are taken to mitigate the risk. The Board is assisted by the ARC in reviewing the adequacy and the effectiveness of the Company's ERM framework.</p> <p>The ARC reports its activities and makes recommendations to the Board. An annual comprehensive risk management report on salient changes to the key risk profile is tabled to the Board to facilitate timely assessment. Any major changes to risks or emerging significant risk of the business units in the Group together with the appropriate actions and/or strategies to be taken, will be brought to the attention of the Board by the Chairman of the ARC.</p>
<b>Explanation for departure</b>	:

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

<b>Measure</b> :		
<b>Timeframe</b> :		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The ARC has undertaken the responsibility to review the adequacy and effectiveness of the risk management and internal control for the financial year. The ARC is responsible for the following internal control system of the Company:</p> <ul style="list-style-type: none"> <li>• Review the internal audit plan before it is tabled to the Board;</li> <li>• Evaluate the key process, systems and internal controls in relation to the principle risks and implement strategic responses, action plans to manage or reduce performance gaps;</li> <li>• Review the scope and frequency of the internal audit along with its resources; and</li> <li>• Review key internal control issues that have been identified by the internal auditors, management and external auditors on a quarterly basis.</li> </ul> <p>The ARC is responsible to monitor and review all activities involving risk management and reports its findings to the Board.</p> <p>The Board has received assurance from the CEO and the Group Finance Director that the Group's risk management and internal control systems are operating adequately and effectively.</p> <p>Further details of the Group's risk management and internal control system are contained in the Statement on Risk Management and Internal Control as included in the Company's Annual Report 2023.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
------------------	---	--	--

**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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

**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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Company has an established in-house internal audit (“<b>IA</b>”) function. The IA function reports directly to the ARC. The IA function is guided by IA Charter that adopts a risk-based approach and was approved by the Board. The IA function was undertaken by external IA Consultant, Moore Stephens Associates PLT (“<b>Moore Stephens</b>”), supported by the in-house IA Department.</p> <p>Comprehensive audits of the practices, procedures, expenditure and internal controls of all business and support units and subsidiaries are undertaken on a regular basis. The Group IA provides assurance and recommendations to the ARC on the Group’s governance, risk management and internal control systems. The IA function of the Company is responsible for the following tasks:-</p> <ul style="list-style-type: none"> <li>• Independent review of key business processes to identify and evaluate significant operational, financial and compliance risks;</li> <li>• Monitor and review the action plans taken by management based on the recommendation of the IA function; and</li> <li>• Highlight the weakness of the internal control process and ensure prompt action is taken by management to address the weakness.</li> </ul> <p>The IA function is also responsible to ensure any material misstatement or loss that would require additional adjustment or disclosure in the Annual Report are flagged to management.</p> <p>The ARC holds regular private meetings with the IA team without the presence of Management to discuss on significant internal audit matters. These private meetings provide an avenue for the internal audit team to surface any pertinent issues or concerns that they were gathered. During the financial year under review, there were two (2) meetings held between the IA and the ARC without the presence of the Executive Board Members and Management.</p>
<b>Explanation for departure</b>	:

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

<b>Measure</b> :		
<b>Timeframe</b> :		



### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During the financial year ended 31 December 2023, Moore Stephens provided a total of four (4) personnel to the Internal Audit function. All the personnel were free from any relationships or conflicts of interest, which could impair their objectivity and independence during the course of their work.</p> <p>Moore Stephens team is led by Mr Dennis Chong who is a member of Chartered Member of Institute of Internal Audit (CMIIA), and has over ten (10) years of experience in a wide range of governance advisory, risk and internal audit work, serving listed companies, multi-nationals and private companies. The IA service provided by Moore Stephens was supported by Encik Warithzamshah bin Mohammad (“<b>Encik Warith</b>”), an in-house Internal Audit Executive. Encik Warith is a member of Institute of Internal Auditors and holds a Bachelor degree in Accounting. He has accumulated over nine (9) years of experiences in areas relating to governance, risk and controls.</p> <p>All internal audit work carried out is guided by the International Professional Practices Framework promulgated by the Institute of Internal Auditors Inc., a globally recognised professional body for internal auditors. During the financial year ended 31 December 2023, the total internal cost incurred is approximately RM141,849.00 (2022: RM187,740.00).</p> <p>In accordance with the Terms of Reference of the ARC, the ARC had on 16 November 2023 conducted an annual assessment on the performance of the IA. The ARC was satisfied that the IA has discharged their responsibilities in a commendable manner, performed competently, functioning effectively and have received sufficient resources and adequate authority in order to carry out their work.</p>
<b>Explanation for departure</b>	:	

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

### 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board understands that stewards of the Company, they are accountable to their shareholders as well as other stakeholders. As such, the Board endeavours to ensure that the Company remains in constant communication with its stakeholders.</p> <p>In building a closer relationship with its stakeholders, the Board, along with the Management ensure that the Company's website contains the latest information of the Company including, but not limited to its annual reports, quarterly financial reports, business activities, investor relations activities, corporate social responsibility activities and any press releases made by the Group. The Board through its Investor Relation Policy outlines its commitment to ensure that all stakeholders have timely access to all publicly available information of the Company, thus, allowing them to make decisions in an informed manner.</p> <p>The Group's Annual Report contains comprehensive information of the Group's corporate and operations, with its contents continuously enhanced to better reflect transparency and accountability. The Group also provides an executive summary of its Annual Report, highlighting key financial and corporate information as well as the analysis of the statements of financial position and profit or loss, in order to facilitate shareholders' easy access to such key information. The Group disseminates its Annual Report to its shareholders on timely basis. The same information is also made available to the shareholders electronically as soon as the information is announced or published.</p> <p>Stakeholders may at any time direct questions or request publicly available information via the communication channels provided on the website. The Company places great importance on stakeholders' privacy and will not disclose information of stakeholders unless otherwise required by law.</p> <p>The Board also perceives the general meetings as an ideal opportunity to communicate with its shareholders. During the Twenty-Eighth ("28th") AGM held on 23 May 2023, there is a presentation on the Company's performance and major activities which were carried out by the Company during the financial year under review. The Chairman will provide ample time for the</p>

	Questions and Answers session at the general meetings, before any proposed resolution is put to a vote. All relevant comments and suggestions given by shareholders and proxies were noted by the Management for consideration.	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**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.

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

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the significance of the AGM as a platform for direct and meaningful communication between the Board and the Company's shareholders. As such, the Board strives to ensure that shareholders are accorded with sufficient time to consider the resolutions that will be discussed and decided upon at the AGM.</p> <p>In this regard, the notice of the last AGM in year 2023 was issued to shareholders on 20 April 2023, which was more than twenty-eight (28) days prior to the date of AGM. This goes above and beyond Section 316(2) of CA 2016 and Paragraph 7.15 of the MMLR of Bursa Securities which call for a 21-days' notice period for public companies or listed issuers respectively.</p> <p>The additional time given to shareholders allows them to make the necessary arrangements to attend and participate the 28th AGM in person or through corporate representatives, proxies or attorneys. In addition, the shareholders are accorded with sufficient time to consider the resolutions that will be discussed and decided upon at the AGM.</p> <p>The notice for the AGM outlines the resolutions to be tabled during the meeting and is accompanied with explanatory notes and background information where applicable to shed clarity on the matters that will be decided at the AGM.</p> <p>In order to achieve the widest possible dissemination, the notice of AGM is placed both in a nationally circulated newspaper and the Company's website at <a href="http://www.tienwah.com">www.tienwah.com</a> besides being dispatched to shareholders.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All Directors of the Company, including the Chairman of the Board Committees, attended the 28th AGM held on 23 May 2023, with one (1) of the Directors participated via videoconferencing.</p> <p>At the 28th AGM, the CEO and the Group Finance Director gave presentations on the Group's performance and major activities which were carried out by the Company during the financial year under review.</p> <p>During the AGM, the Chairman encouraged shareholders to actively participate during the Questions and Answers session at the AGM. All questions raised by the shareholders and proxies were attended to accordingly.</p> <p>The Group Finance Director, the Company Secretary and the External Auditors were also present at the 28th AGM to respond to any queries raised by the shareholders at the AGM.</p> <p>The Minutes of the 28th AGM in year 2023 was made available on the Company's website in accordance with Paragraph 9.21(2) of the MMLR of Bursa Securities.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### 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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The 28th AGM was physically held at Atlanta East, Level 3, Armada Hotel, Lot 6, Lorong Utara C, Section 52, 46200 Petaling Jaya, Selangor Darul Ehsan on 23 May 2023. The venue is in close proximity of public transportation localities such as the Asia Jaya LRT station as well as the Taman Jaya LRT station.</p> <p>The Board regards General Meetings as a key platform for shareholders to exercise their rights and have their “voices” heard through the votes cast by them. In accordance with Paragraph 8.29A(1) of the MMLR of Bursa Securities, all resolutions put to vote were carried out by poll voting. The Board has always seen good shareholder participation in its previous general meetings and the Board has given foremost consideration to the location of its general meetings to ensure it is easy to reach or easily accessible to shareholders.</p> <p>Tricor Investor &amp; Issuing House Services Sdn. Bhd., the Share Registrar of the Company was appointed as Poll Administrator to conduct the polling process and Sky Corporate Services Sdn. Bhd. was appointed as the Independent Scrutineer to administer the whole polling process and verify the poll results.</p> <p>The Constitution of the Company allows the Company to hold its general meetings at more than one venue using any technology ensuring all shareholders are able to participate, speak and vote at the general meetings.</p> <p>The application of this practice was deferred with the implementation of the alternative practice. The Board will consider the adoption of technology available to facilitate voting in absentia</p>

	and allow remote participation by shareholders in the future, when the needs arise.	
	Adequate notice of meeting was given to all shareholders and shareholders who were unable to attend the general meeting were allowed to appoint their proxy to attend, participate, speak and to vote at the AGM in their stead.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

*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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman ensures that the general meetings cater an important opportunity for effective communication with, and constructive feedback from the shareholders.</p> <p>The CEO and the Group Finance Director would give review on the financial performance, key challenges and achievement of the Group and the Group's business strategies during the AGM.</p> <p>Shareholders were given the opportunity to raise queries ahead of the 28th AGM of the Company via email to <a href="mailto:waiming.leong@newtoyo.com">waiming.leong@newtoyo.com</a> relating to resolution tabled at the AGM or financial performance/prospect of the Company prior to convening the AGM.</p> <p>Shareholders are encouraged to participate in the AGM and before any proposed resolution is put to a vote, the Chairman of the meeting will open questions to the floor so that all shareholders' queries could be adequately addressed.</p> <p>The Chairman had ensured that sufficient time was allocated for discussion and address questions raised. The written responses to all queries raised were recorded in the minutes of the AGM.</p>
<b>Explanation for departure</b>	:	

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

<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

*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.*

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

**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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Minutes of the 28th AGM, detailing the meeting proceedings including the issues, and questions raised by shareholders and the Company's responses were made available on the Company's corporate website no later than thirty (30) business days after the completion of the AGM.  The Minutes of the AGM is available on the Company's website.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**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.*

Click or tap here to enter text.