

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7382
COMPANY NAME : GOLDEN LAND BERHAD
FINANCIAL YEAR : June 30, 2019

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is responsible for the overall corporate governance, strategic direction, performance, resources, standards of conduct, financial matters, corporate goals and therefore monitors the achievement of these goals. It provides effective leadership and manages overall control of the Group's affairs through the discharge of the following principal duties and responsibilities:-</p> <p>(a) Reviewing and adopting a strategic plan for the Group; (b) Overseeing the conduct of the Group's business; (c) Identifying principal risks and implementation of appropriate internal control and mitigation measures; (d) Succession Planning; (e) Overseeing the development and implementation of a shareholders' communications policy for the Group; (f) Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems; (g) Establishment of Management Committees in reviewing the business performance; and (h) The Board has delegated specific responsibilities to the following committees ("Committees"):-</p> <ul style="list-style-type: none"> • Audit and Risk Management Committee ("ARMC") • Nomination Committee ("NC") • Remuneration Committee ("RC") • Employees' Share Scheme Committee <p>The roles and responsibilities delegated to the Committees are set out in the Terms of Reference of each Committees as approved by the Board and set up in the Board Charter which is available on the corporate website at www.glbhd.com.</p>
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The role and responsibilities of the Chairman of the Board have been clearly specified in Paragraph 2.3 of the Board Charter, which is available for reviewing under the "Corporate Governance" section of the Group's corporate website at www.globhd.com.</p> <p>The Chairman is responsible for leadership of the Board. In particular:-</p> <ul style="list-style-type: none">(a) to lead the Board and ensuring its effectiveness of all aspect of its role.(b) setting the Board agenda and ensuring Board members receive complete and accurate information in a timely manner;(c) to lead and ensure efficient and effective conduct of the Board Meetings;(d) to encourage active participation and allowing dissenting views to be freely expressed;(e) to ensure effective communication with shareholders and relevant stakeholders to ensure their views are communicated to the Board as a whole;(f) to facilitate the effective contribution of all Directors at Board meetings;(g) to ensure the efficient organization and conduct of the Board's function and meetings;(h) to commit time necessary to discharge effectively his role as Chairman;(i) to promote constructive and respectful relations between Directors, and between the Board and Management; and(j) to lead the Board in establishing and monitoring good corporate governance practices in the Company.
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

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 Chief Executive Officer, are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman, Mr Tan Teck Kiong and the Chief Executive Officer ("CEO"), Mr Yap Phing Cern, both holding separate position and their respective roles and responsibilities are governed in the Company's Board Charter.</p> <p>The roles and responsibilities of the Chairman and CEO are made clearly distinct to further enhance the existing balance of power and authority.</p> <p>The CEO is responsible for leadership of the business and managing it within the authorities delegated by the Board. In particular:-</p> <ul style="list-style-type: none">(a) to provide effective leadership to the Group and is responsible for ensuring high management competency and that an effective management succession plan is in place to sustain continuity of operations;(b) to develop and implement corporate strategies and ensure that agreed strategies are reflected in the business;(c) to supervise Heads of Divisions and Departments who are responsible for all functions contributing to the success of the Group; and(d) to assess business opportunities which are of potential benefit to the Group. <p>The Board Charter under Paragraphs 2.3 have outlined the Role of the Chairman and the Role of the CEO to ensure accountability and division of responsibilities, and the Board Charter is available for viewing under the "Corporate Governance" section of the Group's corporate website at www.glbhd.com.</p>
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

Intended Outcome

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

Practice 1.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>The role of the Company Secretary is currently held by Ms Voo Yin Ling (MAICSA 7016194), a member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). The Company Secretary is qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016.</p> <p>The Company Secretary is responsible in providing support to the Board as follows but not limited to:-</p> <ul style="list-style-type: none">(a) ensure compliance of listing and related statutory obligations as well as updates on regulatory requirements, codes, guidance and relevant legislation;(b) ensure adherence to board policies and procedures, rules, relevant laws and best practices on corporate governance;(c) attend Board, Committees and General Meetings, and ensure the proper recording of minutes as well as follow-up on matters arising;(d) ensure proper upkeep of statutory registers and records and maintain a secured retrieval system which stores meeting papers and minutes of meetings.
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>As a standing practice, the Board papers and agenda items are to be circulated in electronic form via e-mail at least five (5) business days prior to the Meetings to allow ample time for Directors to consider the relevant information.</p> <p>A comprehensive Board report includes, among others, quarterly financial results, annual audited financial statements, operational report, corporate plan, major issues and opportunities for the Group, changes to management and control structure of the Group, Policies and Procedures, reports to shareholders and public announcement, other relevant information is prepared and circulated in advance to enable the Board to make considerations, deliberations and decisions.</p> <p>Minutes of the Board Meetings have been accurately recorded by the Company Secretary to reflect the deliberations, in terms of the issues discussed, and the conclusions thereof in discharging its duties and responsibilities. The Minutes was then tabled at the following Board Meeting for perusal and confirmation. Upon Directors' confirmation, the Chairman of the Board Meeting signs the minutes as a correct record of the proceedings and thereafter, the said minutes of all proceedings are kept in the statutory book at the registered office of the Company to be made available for inspection under the Companies Act 2016.</p>
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter sets out the authority, responsibilities, membership and operation of the Board of the Group's, adopting principles of good corporate governance and practice, in accordance with applicable laws in Malaysia. The Board Charter entails, inter alia, the following main items:-</p> <ul style="list-style-type: none">• Objectives of the Board;• Role of Board;• Board Structure;• Directors' Remuneration;• Board Processes;• Code of Conduct and Business Ethics. <p>The Board Charter will be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.</p> <p>Board Charter is available for viewing under the "Corporate Governance" section of the Group's corporate website at www.glbhd.com.</p>
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group establish a Code of Conduct and Business Ethics ("the Code") to guide actions and behaviours of all Directors and Employees of the Company. The Code is formulated to promote ethical conduct of Directors, Management and employees in all their dealings with the stakeholders, as well as to enhance the standard of corporate governance within the Group. The Code applies to all Directors, Management and employees of the Group.</p> <p>The provisions of this Code can be amended and supplemented from time to time by resolution of the Board of Directors of the Company.</p> <p>A copy of this Code is available for viewing under the "Corporate Governance" section of the Group's corporate website at www.glbhd.com.</p>
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted a Whistleblowing Policy with the following objectives:-</p> <ul style="list-style-type: none">• Provide an avenue for all employees and members of the public to disclose any improper conduct or action that is or could be harmful to the reputation of the Group and/or compromise the interest of stakeholders;• Provide proper internal reporting channel to report any concerns about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse in accordance with the procedures as provided for under this policy;• Provide protection for the whistle-blower from reprisal as a direct consequence of making a disclosure and to safeguard such person's confidentiality; and• Treat both the whistle-blower and the alleged wrongdoer fairly. <p>A copy of this Policy is available for viewing under the "Corporate Governance" section of the Group's corporate website at www.globhd.com.</p> <p>During the financial year 2019, there were no complaints received.</p>
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

Intended Outcome

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

Practice 4.1

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

Application	:	Applied
Explanation on application of the practice	:	The Board currently has six (6) members, comprising two (2) Executive Directors, three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The Independent Directors make up 50% of the Board membership. Hence, the Board fulfils the prescribed requirements of Paragraph 15.02 of the Listing Requirement where one-third (1/3) of the membership of the Board to be Independent Board Members. The Board considers that the balance achieved between Executive and Non-Executive Directors during the financial year under review was appropriate and effective for the control and direction of the Group's business. The Board is also of the opinion that the Board composition during the year under review has fairly represented the ownership structure of the Company with appropriate representations of minority interest through the Independent Directors.
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

Intended Outcome

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

Practice 4.2

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

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

Application	:	Not applicable - No independent director(s) serving beyond 9 years
Explanation on application of the practice	:	The Board shall provide justifications and seek shareholders' approval in the event it proposes to retain an independent director who has served the Board in that capacity for more than nine (9) years. For financial year ended 30 June 2019, the Board noted that none of its Board members have attained such tenure.
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

Intended Outcome

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

Practice 4.3 - Step Up

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

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

Intended Outcome

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

Practice 4.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>The policies and procedures for determining the appointment of Board are formalised in the form of a Policy on Nomination and Assessment Process of Board members ("Policy"). The Board recognises a diverse Board in the Company could offer greater depth and breadth compared to non-diverse Board whilst the diversity at Senior Management will lead to better decisions.</p> <p>Appointment of Board and Senior Management are based on objective criteria, merit and besides gender diversity, due regard are placed for diversity in knowledge, integrity and judgement, commitment, independent judgement, performance and contribution, experience and accomplishments and board interaction ("Board Membership Criteria"). NC would assess the proposed candidate based on the criteria as set out in the "Board Membership Criteria" or any other criteria which the NC deems appropriate.</p> <p>For an Independent Director position, additional assessment on independence based on Appendix I of the "Policy" would need to be carried out. The Company had also adopted the "Guidelines for Directors' Independence Assessment" to assist the Board in assessing Independent Directors.</p> <p>During the financial year 2019 under review, there was 1 new director being appointed to the Board.</p> <p>Mr Tang Weihann (previously an alternate director to Mr Oh Kim Sun) was recommended by Mr Oh (past Boars member) and he has undertaken an assessment by the NC. After due deliberation, the NC recommended to the Board to be considered for appointment as Non-Independent Non-Executive Director.</p>
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

Intended Outcome

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

Practice 4.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to actively managing diversity as a means of enhancing the Group's performance by recognizing and utilizing the contribution of diverse skills and talent from its directors and senior management. A copy of this Policy is available for viewing under the "Corporate Governance" section of the Group's corporate website at www.glbhd.com.</p> <p>For the financial year ended 30 June 2019 until the date of this Report, the Board currently consists of two (2) female directors who are as follows:- (a) Ms Yap Fei Chien; and (b) Ms Lim Saw Imm.</p>
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

Intended Outcome

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

Practice 4.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has a variety of sources for the identification of suitable candidates. The Board may rely on recommendations from the existing board members, Management and major shareholders as well as other independent sources.</p> <p>The NC is responsible for recommending suitable candidates to the Board for its consideration. The Nominating Committee is also open to referrals from external sources available, such as industry and professional associations, as well as independent search firms.</p> <p>Mr Tang Weihann (previously an alternate director to Mr Oh Kim Sun) was recommended by Mr Oh (past Board member) and he has undertaken an assessment by the NC. After due deliberation, the NC recommended to the Board to be considered for appointment as Non-Independent Non-Executive Director.</p>
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

Intended Outcome

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

Practice 4.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NC is chaired by Ms Lim Saw Imm, a Senior Independent Non-Executive Director identified by the Board. Her responsibilities and duties as a Senior Independent Non-Executive Director are outlined in the Board Charter.</p> <p>The members of the NC for the time being are:-</p> <p>(a) Ms Lim Saw Imm (Chairman/Senior Independent Director)</p> <p>(b) Mr Tan Teck Kiong (Independent Non-Executive Director)</p> <p>(c) Datuk Ng Seing Liong PJN, JP (Independent Non-Executive Director)</p>
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 5.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NC conducted an annual assessment in respect of the Board, Board Committees and individual Directors in August 2019. The relevant assessment forms were circulated to all/part of the Directors, as the case maybe. For completion, the NC reviews and discusses the assessment outcome and shall report to the Board accordingly.</p> <p>The NC, in carrying out the annual assessment, considers the Company's performance, the Board's performance as a whole and that of its individual directors. The NC ensures that the annual assessment is being conducted effectively towards ensuring that the Board composition meets the needs of the Company.</p> <p>Upon assessing the Board and Board Committee(s) for the financial year, the NC may propose relevant trainings if deemed necessary, to the Board.</p>
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

Intended Outcome

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

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

Practice 6.1

The board has in place policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The policies and procedures for determining the remuneration packages of the Board Members and Senior Management are formalised in the form of a Remuneration Policy. The Remuneration Policy is to establish a formal and transparent procedure to develop the structure for the remuneration package of all Directors and the Senior Management based on the following principles:-</p> <ul style="list-style-type: none">(a) to attract and retain Directors and Senior Management;(b) to motivate directors to achieve Company's business objective; and(c) to align the interests of the Directors and Senior Management with the long term interest of the shareholders. <p>A copy of this Policy is available for viewing under the "Corporate Governance" section of the Group's corporate website at www.glbhd.com.</p>
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

Intended Outcome

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

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

Practice 6.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Remuneration Policy for Board Members and Senior Management which is published in the Company's website provides the following policies and procedures on remunerations of Directors and Senior Management:</p> <ul style="list-style-type: none">• Competitive and realistic remunerations of Directors are formulated with the aims to attract, motivate and retain Directors with the relevant experience, expertise and quality needed to assist in managing the Company and the Board effectively.• For Executive Directors and Senior Management, the remuneration packages link rewards to corporate and individual performance whilst for the Non-Executive Directors, the level of remuneration is linked to their experience and level of responsibilities undertaken.• The level of remuneration for the Executive Directors and Senior Management is assessed by the RC after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies.• The determination of Directors' remuneration is subject to Board's approval. The Director concerned should abstain from discussing his/her own remuneration. <p>Pursuant to Section 230(1) of the Companies Act, 2016, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.</p>
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

Intended Outcome

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

Practice 7.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied	
Explanation on application of the practice	:	Further details of the remuneration of individual directors were disclosed in the Corporate Governance Overview Statement.	
Explanation for departure	:		
	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	

Intended Outcome

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

Practice 7.2

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

Application	:	Departure
Explanation on application of the practice	:	-
Explanation for departure	:	The Company had disclosed the top five (5) senior management's remuneration component in bands width of RM50,000 but not on named basis due to confidentiality and sensitivity of each remuneration package.
		Alternative Practice:- The Board ensures that the remuneration of senior management is fair and commensurate with the performance of the Company and the contributions made by the senior management, but at the same time it is able to attract, retain and motivate the senior management to excel in their respective roles.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

Intended Outcome

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

Practice 7.3 - Step Up

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

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The Chairman of the ARMC is not the Chairman of the Board.
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Term of Reference of the ARMC requires a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the ARMC.</p> <p>None of the members of the Board were former key audit partners and the Board has no intention to appoint any former key audit partner to the Board.</p>	
Explanation for departure	:	Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The ARMC has formalised the policy and procedures to assess the suitability, objectivity and independence of external auditors.</p> <p>The ARMC noted, for the financial year ended 30 June 2019, BDO, the External Auditors of the Group declared that the engagement quality control reviewer and members of the engagement team in the course of their audits were and had been independent for the purpose of the audit in accordance with the terms of relevant professional and regulatory requirements.</p> <p>Upon completion of its assessment, the ARMC was satisfied with Messrs BDO's technical competency, objectivity and audit independence during the financial year under review.</p>
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.5

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The members of ARMC have the relevant accounting or related experience and expertise in financial service industry to effectively discharge their duties.</p> <p>The qualification and experience of the individual ARMC members are disclosed in the Board of Directors' Profile of the Annual Report.</p> <p>All the members of the ARMC received on-going trainings and development as detailed in the Corporate Governance Overview Statement.</p>	
Explanation for departure	:	Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	

Intended Outcome

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

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group Risk Management Processes are supported by policies and procedures which are consistent with the internationally recognised risk management framework (ISO31000) and Committee of Sponsoring Organizations of the Treadway's Commission (COSO) ERM framework.</p> <p>To this end, the Board affirms its overall responsibility for the Group's internal controls system which encompasses risk management practices as well as financial, operational and compliance controls. Management is responsible for assisting the Board in implementing and monitoring the procedures and processes which identify, assess and monitor business risks and internal controls, and to take responsive corrective action as and when needed. However, it should be noted that such system, by its nature, manages but not eliminates risks and therefore can provide only reasonable and not absolute assurance against material misstatement, loss or fraud.</p> <p>The Board has received assurance from the Chief Executive Officer and the Group Financial Controller that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.</p> <p>The Board is of the view that the risk management and internal control system in place for the year under review and up to the date of issuance of the financial statements is adequate and effective to safeguard the shareholders' investment, the interests of customers, regulators and employees, and the Group's assets.</p>
Explanation for departure	:	Not Applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not Applicable
Timeframe	:	Not Applicable

Intended Outcome

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

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	The details of the risk management and internal control features as well as the Board review of the adequacy and effectiveness of the risk management and internal control frameworks are presented in the Statement on Risk Management and Internal Control of the Annual Report.	
Explanation for departure	:	Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not Applicable	
Timeframe	:	Not Applicable	

Intended Outcome

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

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

Practice 9.3 - Step Up

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

Application	:	Applied
Explanation on adoption of the practice	:	The ARMC is responsible in overseeing and reviewing the effectiveness of the Group's risk management function together with the Management. The Group's Internal Auditors provide support to the ARMC in discharging its duties with respect to the adequacy and integrity of the internal control systems within the Group.

Intended Outcome

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The outsourced internal auditors communicate regularly with and report directly to the ARMC. For the financial year ended 30 June 2019, the outsourced internal auditors met four (4) times with the ARMC.</p> <p>The ARMC reviewed and approved the Internal Audit Plan to ensure that the appropriateness of the audit plan. The ARMC had also discussed with the outsourced internal auditors on the progress of the audit plan and ensured that the audit direction remains relevant on an on-going basis. When reviewing the Internal Audit reports, the ARMC will consider the impact of the audit issues and assess whether Management has provided their comments appropriately reflecting their commitment to the remedial actions required.</p> <p>A private session with the outsourced internal auditors is held annually without the presence of Management by the ARMC to allow the internal auditors to exchange their views freely with the ARMC.</p> <p>The ARMC had conducted an Internal Audit Assessment annually to review the adequacy of the scope, functions, competency and resources of the outsourced internal audit function to ensure that it has the necessary authority to carry out its work and to perform its function effectively in accordance with relevant professional standards.</p>
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

Intended Outcome

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

Practice 10.2

The Board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Internal Audit Function is carried out by Centegy Governance Advisory Sdn. Bhd. (“Centegy”), a GRC consulting firm.</p> <p>The engagement team is headed by a Director, Steven Yee who is assisted by a manager and supported by an audit executive. The Director in charge is a qualified accountant (MICPA) and an Associate Member of the Institute of Internal Auditors (IIA) while the rest of the team members are experienced consultants from various fields.</p> <p>The Internal Auditors have performed its work with reference to the principles of the International Professional Practice Framework (IPPF) of Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders. During the financial year, an internal Quality Assurance review was carried out with findings shared with the ARMC. Remedial actions are being carried out and monitored by ARMC for continuous improvement purposes.</p> <p>The ARMC reviews the engagement between the Company and Centegy to ensure that the Internal Auditors’ objectivity and independence are not impaired or affected. The ARMC is satisfied with the annual independence declaration received from Centegy.</p>
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

Intended Outcome

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

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the value of providing current and relevant information of all material businesses to its shareholders to enhance its Corporate Disclosure Policy and empowering its shareholders through effective communication.</p> <p>The annual reports, press releases, quarterly results and any announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and financial performance.</p> <p>Stakeholders can at any time seek clarification or raise queries through the corporate website, by email or phone. Primary contact details are set out at the group's website.</p>
Explanation for departure	:	Not applicable
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

Intended Outcome

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

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

Practice 11.2

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

Application	:	Departure	
Explanation on application of the practice	:	Not applicable	
Explanation for departure	:	Not applicable as the Company is not classified as "Large Company".	
		At present, the Board is of the view that the Company's Annual Report and announcements to Bursa Securities are comprehensive enough for stakeholders to make informed decisions.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not applicable	
Timeframe	:	Not applicable	

Intended Outcome

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

Practice 12.1

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

Application	:	Applied	
Explanation on application of the practice	:	The notices of the AGM are dispatched to shareholders at least 28 days before the AGM, to allow shareholders additional time to go through the Annual Report and make the necessary attendance and voting arrangements.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not applicable	
Timeframe	:	Not applicable	Not applicable

Intended Outcome

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

Practice 12.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	All Board members attended the Twenty-Fourth AGM of the Company held on 23 November 2018 and provided responses to the shareholders on the key matters arose during the Meeting. The Chairman of the ARMC, NC and RC were also present on stage to address any questions from shareholders in respect of matters that fall under the purview of the Board Committees.	
Explanation for departure	:	Not applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Not applicable	
Timeframe	:	Not applicable	

Intended Outcome

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

Practice 12.3

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

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

Application	:	Departure
Explanation on application of the practice	:	Not applicable
Explanation for departure	:	The Board would consider the leveraging on technology to facilitate voting in absentia or remote shareholders' participation at general meetings, subject to cost effectiveness and the availability of remote voting facility.
		Alternative practice: Shareholders who are not able to attend the AGM can appoint proxy(ies) to attend, speak, participate or vote on their behalf.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Not applicable
Timeframe	:	Not applicable

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

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

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