CORPORATE GOVERNANCE REPORT

STOCK CODE	**:**	3174
COMPANY NAME	**:**	Land & General Berhad
FINANCIAL YEAR	**:**	March 31, 2019

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE
Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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	:	For the Board to assume responsibility for the Company's leadership and collectively responsible for meeting the objectives and goals of the Company, the Board has put in place the necessary framework and structure in which the Board Charter constitutes and forms an integral guide on the role for the Directors in discharging their duties and responsibilities and to provide them with a clear understanding of the relationship with the Management and shareholders, and in particular the oversight over management, setting strategic directions, accountability and transparency together with a framework of prudent and effective controls which enables risk to be assessed and managed, thus propelling the Company towards sustainability and prosperity. The Board Charter and the Group's vision and mission are published at the Company's corporate website www.land-general.com.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	The Board Chairman was appointed based on qualification, experience and credentials. The role of Chairman is clearly set out in the Board Charter. The profile of Dato' Hj Zainal Abidin Putih is included in the Director's profile on Page 4 of Annual Report 2019.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	The position of Chairman and CEO are held by different individuals. Mr Low Gay Teck, a nominee director of the major shareholder, was appointed as Non-Executive Director on 15 October 2007 and was redesignated as Managing Director on 1 January 2008. Dato' Hj Zainal Abidin Putih was appointed as the Chairman of the Board on 1 June 2010.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	The Company Secretary is member a of MAICSA which is one of the approved bodies under Section 235(2)(a) of the Companies Act, 2016. The Company Secretary is required to attend continuing education programmes to keep abreast of the latest regulatory developments or the relevant practices pursuant to code or guidelines issued by regulators. Updates on amendments to the relevant regulations or code or guidelines are provided by the Company Secretary to the Board for consideration and applicable amendments to the Group are highlighted to the Board. When required by the Board, opinions and views of external experts are sought.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	To facilitate administrative efficiency for conduct of meetings, notice of Meeting consists of a formal structured agenda were circulated to the Board or Board Committees. Minutes of the previous Board and Board Committees' meetings together with the relevant meeting materials for the agenda which were prepared by the respective Management Personnel were compiled by the Company Secretary and sent to the Directors within reasonable period prior to the meeting dates. Subsequent updates or amendments to the meeting materials were provided via emails to Directors. To facilitate smooth operation of the businesses of the Group, follow up actions requested by the Board or Board Committee pertaining to the decisions of the Board or the Board Committee, were taken by Management as soon as possible. Updates were provided to the Board and Board Committees accordingly in writing.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Board Charter sets out the roles and responsibilities of the Board, the relationship between Board and Management, Board composition and Board balance, the roles of Chairman and Managing Director and terms of reference of the Audit Committee, the Nominating Committee and the Remuneration Committee. The Board Charter was reviewed and updated as and when there were changes in the practices on code on corporate governance and regulatory update.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

The 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	:	The Code of Conduct for Directors has been incorporated into the Board Charter. The Board is committed to inculcate good business ethics as the Group's corporate culture and acknowledges that values and practices that support corporate governance and corporate responsibility are fundamental to the sustainability of the Group. Management has its own Code of Ethical Practices. Code of Conduct for Directors and Code of Ethical Practices for Management are available at the Company's corporate website.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
The 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	:	Whistle-blowing policy and procedures are in place and published at the Company's website. The said policy and procedures cover the following key matters:- (a) policy statement; (b) objective; (c) scope of the policy; (d) reporting procedures; and (e) confidentiality and whistle-blower protection.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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 directors.

Application :	Applied	
Explanation on application of the practice :	The Board consists of 6 Independent Directors and 4 Non-Independent Directors. The Independent Directors are as follows:- 1) Dato' Hj Zainal Abidin Putih; 2) Dato' Ir Dr A Bakar Jaafar; 3) Dato' Hj Ikhwan Salim Dato' Hj Sujak; 4) YM Tengku Maruan Tengku Ariff; 5) Dato' Pahlawan Mohd Shukri Dahlan; and 6) Dato' Noorizah Binti Hj Abd Hamid The Non-Independent Directors are as follows:- 1) Low Gay Teck; 2) Ferdaus Mahmood; 3) Hoong Cheong Thard; and 4) Andrew Chiu Wah Wai.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Board and the Nominating Committee concluded that the qualification, experience and credentials of Dato' Hj Zainal Abidin Putih, Dato' Ir Dr A Bakar Jaafar and Dato' Hj Ikhwan Dato' Hj Sujak are valuable to the Board. They are familiar with the Company's business operations and the property market as they have been with the Company for more than 9 years and are aware of current issues confronting the Company and they continues to provide valuable input to steer the Company forward.
		Dato' Ir Dr A Bakar Jaafar has served as Independent Director of the Company for more than 12 years, Dato' Hj Ikhwan Salim Dato' Hj Sujak has served as Independent Director of the Company closed to 12 years and Dato' Hj Zainal Abidin Putih has served as Independent Director for more than 9 years. The Nominating Committee has carried out annual assessments on the Independence of Dato' Hj Zainal Abidin Putih, Dato' Ir Dr A Bakar Jaafar and Dato' Hj Ikhwan Salim Dato' Hj Sujak based on the criteria as set out in the Main Market Listing Requirements and on other considerations that might impair their independent judgement or their ability to act in the interest of the L&G Group. The Board and the Nominating Committee concluded that their independence has not been impaired in any way. The Board shall table the justifications for retaining Dato' Hj Zainal Abidin Putih, Dato' Ir Dr A Bakar Jaafar and Dato' Hj Ikhwan Salim Dato' Hj Sujak as Independent Directors for shareholders' approvals at the forthcoming 56th AGM by way of ordinary resolutions in line with Section 291 of the Companies Act, 2016.

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

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

Practice 4.3 - Step Up
The board has a policy which limits the tenure of its independent directors to nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Practice 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	:	The appointment of a new director is a decision by the Board upon appropriate evaluation and recommendation from the Nominating Committee. New director is appointed and expected to have expertise that complements the experiences, backgrounds and perspectives of the Board as a whole and also to make positive contribution to the Board in the performance of its duties. For recruitment of senior management personnel, the selection is based the relevant experience and qualification, age and other factors such as cultural background.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
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	:	The Board supports gender diversity as part of the agenda in achieving boardroom diversity as the Board acknowledges and embraces that a wide range of perspectives is critical to effective corporate governance and strategic decision making in the fast changing business environment. The Board has enhanced the boardroom gender diversity with the appointment of Dato' Noorizah Binti Hj Abd Hamid on 1 December 2018. The profile of Dato' Noorizah is included in the Director's profile on Page 9 of the Annual Report 2019.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
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 :	Departure	
Explanation on application of the practice :		
Explanation for departure :	The Board is of the view that although the candidates are recommended by directors or nominated by major shareholder, procedures are in place to assess the suitability of the candidates based on criteria set out. In the case of appointment of independent directors, the Board is guided by the criteria set out in the Main Market Listing Requirements.	
	The Board has delegated to the Nominating Committee the assessment and recommendation of candidate for appointment as Director. In making its recommendations to the Board, the Committee has to consider the candidates on the following criteria: a) skills, knowledge, expertise and experience; b) professionalism; c) integrity; d) time commitment; and e) in the case of candidates for the position of Independent Non-Executive Directors, the Committee shall evaluate the candidate's ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

Practice 4.7
The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	The Nominating Committee is chaired by Dato' Hj Zainal Abidin Putih, the Independent Non-Executive Chairman of the Board.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
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	:	The Board with the assistance of the Nominating Committee undertakes annual assessments as stated below. 1) Individual Directors assessment which covers: (a) fit and proper of a director; (b) contribution and performance of a director; (c) caliber and personality of a director; (d) meeting attendance of Board and Board Committees; and (e) training, seminar, conference, etc, attended by director. 2) The Board assessment which covers: (a) Board structure; (b) Board operations; (c) Board roles and responsibilities; and (d) Board Chairman's roles and responsibilities. 3) Independent Directors assessment which covers: (a) the relevant criteria as set out in Paragraph 1.01 of the Main Market Listing Requirements; (b) tenure as Independent Director; and (c) other considerations that might impair independent judgement or the ability to act in the interest of the L&G Group. 4) Board Committees assessment which covers: (a) Composition of the respective Board Committee; (b) Effectiveness of the respective Board Committee's roles; and (c) Documentation of the minutes of the respective Board Committee. 5) Audit Committee members assessment which covers the performance of functions pursuant to the terms of reference of the Audit Committee as follows:- (a) corporate governance, risk management and internal controls; (b) audit and financial reporting; and (c) skill set.

	The Board and the Nominating Committee were satisfied with the outcome of the annual assessments undertaken.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

The 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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Board has put in place procedures to determine the remuneration of directors and senior management and its annual review. The Board is guided by the provision of the Constitution (Articles of Association) on the remuneration of the Directors, the complexities and size of the business operation of the respective division and the existing industrial practices.
		The remuneration for the Non-Executive and Managing Directors are guided by the provisions of the Constitution (Articles of Association) of the Company. The Non-Executive Directors' remuneration is paid by way of fixed sum and not by way of a commission on or percentage of profits or turnover. The fee structure of the Non-Executive Directors at Board level and Board Committee level has been reviewed and determined by the Board from time to time. The aggregate of the Directors' Fees and meeting allowances will be tabled for shareholders' approval at the AGM. The current fee structure for the financial year under review is as follows:- 1) Non-Executive Board Chairman – a lump sum fixed fee of RM120,000.00 (inclusive of Chairing the Nominating Committee); 2) Non-Executive Director – a fixed fee of RM30,000.00 and a fee of RM750.00 for each Directors' Circular Resolution approved; 3) Audit Committee – a fixed fee of RM20,000 for the Audit Committee Chairman and RM10,000 for each member of the Audit Committee;

	4) Nominating Committee – a fixed fee of RM5,000.00 for each member of the Nominating Committee; and 5) Remuneration Committee – a fixed fee of RM10,000.00 for the Chairman of Remuneration Committee and RM5,000.00 for each member of the Remuneration Committee. In the preceding financial years, the Board had resolved that additional fees shall be paid to Non-Executive Directors as the Directors fees had not been reviewed for more than 10 years. The basis used to determine the additional fees is for each Directors' Circular Resolution signed during the financial year under review, each Non-Executive Director shall be paid RM750.00. For meeting allowance, Non-Executive Director is paid RM1,000.00 per attendance of Board and Board Committee meeting. At the relevant AGM, mandate will be sought for payment of meeting of allowance. The Board is assisted by the Remuneration Committee in reviewing and recommending the remuneration and bonus of Managing Director pursuant to the contract of service for the Board's approval. As for the senior management personnel, at the stage of recruitment, the salaries and benefits were agreed upon, before engagements were formalised. The salaries and benefits take into consideration the complexities of the works, qualification and experience and also other factors. As senior management personnel work closely with the Managing Director, their salaries and bonuses were reviewed and decided by the Managing Director after the annual performance appraisal exercise of the Group. In addition to the Directors' remuneration, the overall annual salary increment, the total wage bill and bonuses for each calendar year of the L&G Group were tabled to the Remuneration Committee for review. The former Executive Director (Encik Ferdaus Mahmood) who retired on 31 December 2015 and redesignated as Non-Independent Non-Executive Director on 1 January 2016 has been paid a (fixed) advisory fee of RM10,000.00 per month based on a contract of service formalised between the Company and the former Executive Director, for his advisory role in relation to operational matters of the Group.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 6.2

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

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

Application :	Applied	
Explanation on application of the practice :	The Board is assisted by the Remuneration Committee in reviewing and recommending the remuneration of Directors. The Remuneration Committee also reviewed the overall increment and bonus of the L&G Group annually. The Remuneration Committee reviewed the Managing Directors' remuneration to ensure the remuneration is comparable with similar functions of other public listed companies and in line with the Company's performance. The relevant fees and meeting allowances for financial year ended 31 March 2019 for the Non-Executive Directors were tabled for consideration and recommendation at the Remuneration Committee Meeting. The Terms of Reference of the Remuneration Committee is incorporated in the Board Charter.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 7.1

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

Application	:	Applied	
Explanation on application of the practice	:	The necessary disclosure is made pursuant to the Main Market Listing Requirements in line with the MCCG 2017 on Page 27 of the Annual Report 2019.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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 Board is of the view that there would be adverse implication on the senior management team in the event that the Company discloses the remuneration on named basis due to sensitivity of such information as salaries and benefits were negotiated and agreed on confidential basis based on selection criteria and the relevant factors.	
		To facilitate meaningful assessment to be carried out, taking into consideration the Company's performance, the disclosure of the remuneration of the key management personnel on unnamed basis which includes the top 5 key management personnel disclosed under Page 149 of the Annual Report 2019 are adequate.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 7.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 8.1
The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Audit Committee is Dato' Hj Ikhwan Salim Dato' Hj Sujak while the Chairman of the Board is Dato' Hj Zainal Abidin Putih.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is 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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board is guided by the criteria set out in the Listing Requirements for appointment of Independent Directors and appointment of Audit Committee to ensure objectivity and independence of the Audit Committee.	
		The Board will take this policy into consideration should the Board consider a former key audit partner for appointment as Independent Director and member of Audit Committee.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is 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	:	The Audit Committee has carried out the annual assessment on the performance of external auditors which includes: (a) the independence and objectivity; (b) the audit scope and planning; (c) the audit communication; (d) the quality processes/performance; and (e) the audit fees.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is 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	:	

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	:	All Audit Committee members are financially literate and are able to understand matters under the purview of the Audit Committee including financial reporting process. Briefings to the Audit Committee were held on the relevant developments in accounting and auditing standards, practices and rules when considering the issues arising from latest development which were relevant to the Group. During the financial year under review, briefing on MFRS was conducted and was attended by all Directors including the members of the Audit Committee.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

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

Practice 9.1
The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	The Board recognises the importance of a sound system of risk management and internal control to safeguard shareholders' investment and the Group's businesses and assets. The Board acknowledges its primary responsibility to ensure that risks in the Group are identified, measured and managed with appropriate system of risk management and internal controls, and to ensure that the effectiveness, adequacy and integrity of the risk management and internal control systems are reviewed on an on-going basis. The Group has in place an on-going process for identifying, evaluating and managing significant risks that may affect the achievement of business objectives for the year and up to the date of this report. The top risks are reported to the Board on regular basis for their deliberation. The Audit Committee ("AC") continuously evaluates and monitors the significant risks relevant to the Group and appraises and assesses the efficiency of controls implemented to mitigate those risks through a formalised monitoring and reporting process. Reviews are conducted by the AC on regular basis, with additional reviews as and when required. Internal control and risk-related matters which warranted the attention of the Board were reported by the AC to the Board for its deliberation and approval and matters or decisions made within the AC's purview were escalated to the Board for its notation. An overview of the state of risk management and internal control within the Group governed by the Risk Management Framework can be found on the Statement on Risk Management and Internal Control on page 65 to 69 in the Annual Report 2019.
Explanation for departure	:	

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

Intended Outcome
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.

<table>
<tr><td>Application :</td><td>Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td>The Board has formalised a comprehensive Enterprise Risk Management ("ERM") Framework and clear governance structure that takes into account all significant aspects of internal control including risks assessment, the control environment and control activities, information and communication and monitoring. Key business risks have been categorised to highlight the source of the risk, and scored to reflect both financial and reputational impact of the risk and the likelihood of its occurrence.

The Board, AC, Senior Management Team and Heads of Department / Operating units ("HOD") of the Group play an important role in ensuring the effective management of risks.

The Group has identified the significant risks that have high potential of impact and likelihood to the overall Group's operation and at the same time maintains the risk management system to ensure that the corporate objectives and strategies are achieved within the acceptable risk appetite of the Group:
<table>
<tr><th>Risk Profile</th><th>Causes</th><th>Mitigation Control</th></tr>
<tr><td>Weak Market Sentiment</td><td>Weaknesses in the domestic and international economic environment, continuing Government policy on building affordable homes, and continuing tight bank lending policies</td><td>The Group mitigates such risk by:
• Regular review of our marketing strategies for effectiveness and reaching out to wider markets including previously untapped markets.
• Offer better sales packages/incentives to reach out to target market.</td></tr>
<tr><td>High Inventory Level in the Property Market</td><td>Imbalance supply-demand in the property market</td><td>The Group mitigates such risk by:
• Enhance marketing strategy, be more innovative in product development and offer better sales packages to target market.
• Conduct comprehensive market survey before launching of new property.</td></tr>
<tr><td>Tenancy Risk for Menara L&G Putrajaya</td><td>Arises due to causes as stated below:
• Difficulty in looking for suitable tenant.</td><td>The Group mitigate such risk by:
• Quarterly management meetings to discuss the progress of Putrajaya Office's tenancy prospects.</td></tr>
</table></td></tr>
</table>

		• High supply of office spaces in Putrajaya. • Location targeted towards a more niche market. • Onerous gas district cooling contract.	• Marketing team regularly reviewing prospects with external agencies. • Dedicated person in charge of maintaining Menara L&G Putrajayato keep control of costs. • On-going discussion with gas district cooling supplier to reduce chilled water charges.
	Poor Quality of Completed Properties	Potential causes are: • Poor monitoring of project • Site staff integrity • Shortage of skilled workers • Delay in construction resulting in rushed work	The Group mitigate such risk by: • Periodic monitoring and reporting to the management by project manager. • Engagement of competent and responsible site supervisor and manager to monitor quality of properties using "Quality control checklist". • Competent consultants visiting site on a timely basis and do not certify claims submitted by contractor for work that is not up to mark. L&G will not pay such claims unless rectification is made. • Benchmark the construction against international standards/QLASSIC. • Warranty clause and performance bond are imposed on contractors. • Warranty certificate will be issued by contractor upon completion of work. • Payment will be held for any NCR issued by Engineer or Architect until work/issue is rectified.
	The ERM framework and the Group risk profile are subject to yearly review and as and when necessary.		
Explanation for departure :			
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure :			
Timeframe :			

Intended Outcome
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	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 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	:	The Audit Committee reviewed and deliberated the internal audit function evaluation pursuant to Guidance for Practice 10.1 of MCCG 2017 on an annual basis.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	The internal audit function of the Group was carried out by BDO Governance Advisory Sdn Bhd ("BDO"), with effect from 4th quarter of financial year ended 31 March 2019. Prior to this, Bridge Corporate Advisory Sdn Bhd ("Bridge") was the outsourced internal auditors. BDO is an independent professional services provider which supports the Board with much of the assurance it requires regarding the adequacy and effectiveness of the Group's system of controls, procedures and operations. The professional service provider is currently headed by Mr Ang Ah Leck who reports to the Audit Committee (AC). He is a member of the Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountant and Chartered Tax Institute of Malaysia. He is supported by a team of qualified and experienced internal audit professionals. The internal audit function is to assist the Board and the Audit Committee to evaluate the system of internal control and to provide their recommendation to the Board and Management for further improvement.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 11.1

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

Application :	Applied	
Explanation on application of the practice :	The Company's corporate disclosure is guided by the Company Disclosure Policies and Procedures. Announcements such as quarterly financial results, changes in corporate information, entitlement dates, material transactions, etc are made to Bursa Malaysia Securities Berhad and the Board is guided by the Main Market Listing Requirements. Designated websites for launches, corporate website and school website provide updates on the information on launches, projects, latest corporate development and schools' activities and intakes. Social media such as Facebook is being used as well. To facilitate stakeholders to raise queries through a proper channel, the email addresses and telephone numbers of the designated management personnel are published at the Company's website to facilitate continuous communication.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 11.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Not applicable	
		The Company is not a Large Companies as defined by Malaysian Code of Corporate Governance 2017.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 12.1
Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	From year 2016 onwards, the Company has been able to give notice of Annual General Meeting at least 28 days prior to the meeting.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Certain directors may not be able to attend General Meetings if they were overseas abroad due to prior commitments. The Chairman of Audit Committee, Nominating Committee and Remuneration Committee will normally attend general meetings.	
		The Board Chairman and the Managing Director are the authorised spoke persons for the Company to answer shareholders' queries as guided by the Company Disclosures Policies and Procedures to ensure smooth conduct of Q&A session at General Meetings. In any General Meeting, the shareholders will be given slide presentation before the Q&A session. The Board will always endeavour to provide clarification and explanation to queries raised by shareholders. Senior Management Personnel are present to assist the Board to answer queries from the floor. If the general meetings involve corporate proposals, external experts are invited by the Board to be present at general meetings to answer queries from the floor. In the past general meetings, the Company's response to the queries raised by MSWG which were received in advance would be read out and presented at the general meetings.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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	:		
Explanation for departure	:	The location of the General Meetings has always been held at strategic location, at the Company's club house, Sri Damansara Club, Bandar Sri Damansara, Kuala Lumpur, which is easily accessible by the shareholders.	
		The Board is guided by the provision of the Constitution (Articles of Association) to facilitate proxy voting at all general meetings, which allows shareholders to cast their votes if they are unable to attend the relevant general meetings. Notice of general meeting and circular to shareholders will contain the relevant information pertaining to the resolutions to be tabled and shareholders may contact the Company for clarification by contacting the personnel whose emails and telephone numbers are published at the Company's website.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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.

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