

CORPORATE GOVERNANCE REPORT

STOCK CODE : 8893
COMPANY NAME : M K LAND HOLDINGS BERHAD (“M K Land” OR “the Company”)
FINANCIAL YEAR : June 30, 2020

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>For the Board of Directors ("the Board") of M K Land to assume the responsibility of 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 roles of 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 and overall management, setting strategic directions, accountability and transparency together with a framework of prudent and effective controls which enables business risks to be properly assessed and managed.</p> <p>The Board Charter and the Group's vision and mission are available on the Company's website at www.mkland.com.my.</p> <p>The Board plays an active role in the formulation and development of the Company's strategic direction, implementation of its business plans and monitoring its performance. The Board meets with the Management to discuss on corporate and operational strategies together with proposed financial targets, cash flows projections and budgeted capital expenditure of the Company and its subsidiaries ("the Group").</p> <p>At the Board meetings of the Company held during the financial year ended 30 June 2020, the Board deliberated in details on the business plans and cash flows projections, scrutinised and challenged Management proposals, and provided feedback and guidance. The Board in approving the business plans, cash flows projections and budgets of the Group, has requested the Management to continuously review, monitor, track and update the Board on a quarterly basis.</p>

	<p>The Board has delegated to the Executive Director (“ED”) the daily management of the Group’s businesses and operations. The ED leads the senior management of the Group in making, implementing and managing the day-to-day decisions of the business operations, the Group’s resources and the associated risks involved in pursuing the Group’s corporate objectives. The ED is assisted by the Deputy Chief Operating Officer and Senior General Managers, who themselves are also responsible for certain specific areas of the Group’s operations.</p> <p>The ED briefed the Board on the Group’s business operations and strategic initiatives during the quarterly Board meetings.</p> <p>The Independent Non-Executive Directors (“INEDs”) are not involved in the daily management of the Group but contribute their own particular expertise and experience in the development of the Group’s overall business strategies. Their participation as members of the various Board Committees also contributed to the enhancement of corporate governance and internal controls of the Group.</p> <p>The Board has established and is supported by the following Board Committees which consist wholly of INEDs to provide independent oversight on management and to ensure that there are appropriate checks and balances while discharging their oversight functions:-</p> <ul style="list-style-type: none"> (a) Audit and Risk Management Committee (b) Nomination Committee (c) Remuneration Committee <p>Each of the Board Committees operates within its respective terms of reference (“TOR”) that also outlines its respective functions and authorities. The TOR of the respective Board Committees are reviewed by the Board Committees annually and approved by the Board to ensure that the TOR remains relevant and adequate in governing the responsibilities of the Board Committees and reflects the latest developments in the Main Market Listing Requirements (“MMLR”) of the Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Malaysian Code on Corporate Governance 2017 (“MCCG”). These Board Committees have the authority to report to the Board with their recommendations. However, the ultimate responsibility for the final decision on all matters still lies with the Board.</p> <p>The Directors are required by the Companies Act 2016 (“the Act”) to prepare financial statements for each financial year which give a true and fair view of the Group and the Company’s state of affairs, results and cash flows. The Directors are of the opinion that the Group uses appropriate accounting policies that are consistently applied and supported by reasonable as well as prudent judgements and estimates, and that the financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards and the provisions of the Act and MMLR.</p>
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	<p>The Directors are satisfied that the Group and the Company keep accounting records which disclose the reasonable accuracy the financial position of the Group and of the Company and which enable proper financial statements to be prepared. They have also taken the necessary steps to ensure that appropriate systems are in place to safeguard the assets of the Group and of the Company, to manage the risks and to detect and prevent fraud as well as other irregularities. The systems, by their nature can only provide reasonable and not absolute assurance against material misstatements, loss and fraud.</p> <p>The Board is ultimately responsible for the adequacy and integrity of the Company's management information and its internal control system. Details pertaining to the Company's internal control system and its effectiveness are provided in the Statement on Risk Management and Internal Control of the Annual Report 2020.</p> <p>The Board has on 22 May 2020 approved the Anti-Bribery and Corruption Policy for adoption throughout the Group, which was uploaded on the Company's website on 1 June 2020. The Board is committed to ensure that all business activities of the Group are professionally conducted in line with all applicable anti-bribery and corruption laws and regulations.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Puan Hjh. Felina Binti Tan Sri Datuk (Dr.) Hj. Mustapha Kamal ("Pn. Hjh. Felina") is the Chairman of the Board. She is primarily responsible for instilling good corporate governance practices, leadership and effectiveness of the Board.</p> <p>The role of the Chairman is clearly set out in the Board Charter.</p> <p>During the period under review, the Chairman had:</p> <ul style="list-style-type: none">(a) provided leadership to the Board so that the Board can perform its duties and responsibilities effectively and efficiently on all aspects of its roles and setting its agenda. The Chairman is also responsible for creating a conducive environment for open, robust and effective debate. This includes ensuring, via the Group Secretary, that the Directors receive accurate, timely and clear information;(b) set Board agenda with the ED and Group Secretary and ensured that the Board members receive complete and accurate information in a timely manner;(c) led Board meetings and discussions;(d) managed Boardroom dynamics by promoting a culture of openness and debate; encouraged active participation and allowed dissenting views to be freely expressed;(e) functioned as a facilitator at the Board meetings to ensure that no Board member dominates discussion, appropriate discussions take place and relevant opinions amongst the Board members are forthcoming;(f) acted as the conduit between the Management and the Board, although all Directors shall have opportunity to get to know key members of the Management team;(g) led the Board to review the Board Charter annually;(h) ensured appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;

	<p>(i) ensured that the staff training awareness programmes on corporate liability under Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 which became effective on 1 June 2020, were carried out as scheduled; and</p> <p>(j) led the Board in establishing and monitoring good corporate governance practices in the Company.</p> <p>Board meetings bring an independent judgement to bear on issues of strategies, risks, performance, resources and standards of conduct.</p>			
Explanation for departure	:			
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>				
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Timeframe	:	<table border="1"> <tr> <td></td><td></td></tr> </table>		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of Chairman and Deputy Chief Operating Officer ("DCOO") are held by two different individuals.</p> <p>The Chairman of the Company, namely Pn. Hj. Felina, is responsible for leading the Board to ensure the smooth and effective functioning of the Board and also to ensure the procedural rules are followed in the conduct of meetings and that decisions made are formally recorded and adopted. The Chairman of the Company also acts as the Chairman at all Board meetings and meetings of members.</p> <p>The position of the GCEO is presently vacant as the former GCEO's contract expired on 31 January 2020 was not renewed. The Company has yet to identify a suitable candidate for this position as of today.</p> <p>The GCEO holds primary executive responsibility for the Group's business performance and manages the Group in accordance with the strategies and policies approved by the Board. The GCEO will also lead the senior management of the Company in making and implementing the day-to-day decisions on the business operations, managing resources and risks in pursuing the corporate objectives of the Group. The GCEO will also ensure the effective implementation of the Group's business plans and policies established by the Board as well as manage the daily conduct of the business and affairs of the Group to ensure smooth operation.</p> <p>The roles and responsibilities of the Chairman and GCEO are clearly distinct and separate to enhance the balance of power and authority.</p> <p>The roles and responsibilities of the Chairman and GCEO are set out in the Company's Board Charter, which is available on the Company's website at www.mkland.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is assisted by two Company Secretaries who are qualified to act as company secretaries under Section 235(2) of the Companies Act 2016 ("the Act"). One of them is a member of Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") whilst the other is a Licensed Secretary ("LS").</p> <p>During the financial year ended 30 June 2020, the Company Secretaries had performed the following tasks:</p> <ul style="list-style-type: none">(a) advised the Board on its roles and responsibilities;(b) supported the Board and played an important role to facilitate the overall compliance with the Act, MMLR of Bursa Securities and other relevant laws and regulations by updating the Board at the Board meetings;(c) assisted the Board and Board Committees to function effectively and in accordance with the Board Charter and their respective TOR and best practices, and ensuring adherence to the existing Board policies and procedures;(d) ensure the proper conduct of the meetings by managing all Board, Board Committees, shareholders' meeting logistics, attended the meetings and ensure that deliberations and decisions at the meetings are accurately minuted, including whether any director abstained from voting or deliberating on a particular matter and kept in the minutes books and subsequently communicated to the relevant party for necessary actions;(e) assisted in Directors' training and development by organising annual in-house training;(f) managed processes pertaining to the annual general meeting; and(g) served as a focal point for stakeholders' communication and engagement on corporate governance issues.

	<p>The roles and responsibilities of the Company Secretaries are set out in the Company's Board Charter, which is available on the Company's website at www.mkland.com.my.</p> <p>The Company Secretaries have attended the necessary training programmes, conferences, seminars and/or forums organised by the Companies Commission of Malaysia, MAICSA, the Securities Commission of Malaysia and Bursa Securities as well as in-house training so as to keep themselves abreast with the latest changes in laws and regulatory requirements that are relevant to their profession and to provide the necessary advisory role to the Board.</p>	
Explanation for departure	:	
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<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has at least five (5) regularly scheduled meetings annually, with additional meetings for particular matters convened as and when necessary.</p> <p>An annual calendar setting out the dates of the meetings of the Board and Board Committees as well as annual general meeting for the next calendar year is made at the end of each calendar year to facilitate timely planning and preparation for the meetings.</p> <p>To facilitate administrative efficiency for conduct of meetings, notice of meeting consists of a formal structured agenda together with the minutes of the previous Board and Board Committees' meetings were circulated to the Board and Board Committees at least five days before the meetings to ensure the Directors have sufficient time to review the Board papers.</p> <p>Senior Management and/or external consultants may be invited to attend the Board meetings to advise and/or furnish the Board with relevant information or clarifications.</p> <p>To facilitate smooth operation of the businesses of the Group, follow up actions requested by the Board and Board Committees pertaining to the decisions of the Board and Board Committees, will be followed up by the Company Secretary with the Management on the status of actions taken, and will continue to be recorded as matters arising in the minutes of meetings until the issues are resolved.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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 roles and responsibilities of the Board, the relationship between Board and Management, Board composition and Board balance, the roles of Chairman, Executive Director, Non-Executive Directors and DCOO and TOR of the ARMC, NC, and RC, as well as the matters reserved for the Board to ensure that direction and control of the Company are firmly vested in the Board.</p> <p>The Board will review the Board Charter annually to ensure it remains consistent with the Board's objectives and responsibilities, and good corporate governance practices. On 22 October 2020, the Board reviewed the Board Charter to reflect the current Board's objectives and responsibilities, as well as the relevant corporate governance practices under the MCCG. The Board Charter can be viewed on the Company's website at www.mkland.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has established and adopted a Code of Conduct covering business ethics, workplace safety and personal conduct for Directors and Senior Management of the Group.</p> <p>The purpose of the Code of Conduct is to ensure that all Directors and employees maintain and enforce the highest standards of ethics and professional conduct in the performance of their duties and responsibilities throughout the Group.</p> <p>All Directors and employees of the Group are required to declare that they have received, read and understood the provisions of the Code of Conduct and agreed to comply with its terms throughout their employment or tenure with the Group.</p> <p>All Directors and employees of the Group are also required to comply with the provisions of the Anti-Bribery and Corruption Policy of the Company.</p> <p>The Code of Conduct was updated on 22 May 2020 to include the provision of corrupt practices under Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 (Amendment 2018).</p> <p>The Board reviews the Code of Conduct annually and all changes made to the Code of Conduct are communicated to all employees throughout the Group. The Code of Conduct can be viewed on the Company's website at www.mkland.com.my.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

The 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 Company has established a Whistleblowing Policy. The purpose of the Whistleblowing Policy is to provide an avenue for employees, the Group's third party service providers, consultants, vendors, independent contractors, external agencies and members of the public ("Whistleblowers") to raise genuine concerns, disclose alleged, suspected or actual wrongdoings or known improper conduct on a confidential basis and without fear of any form of victimisation, harassment, retribution or retaliation.</p> <p>Whistleblowers can report any improper conduct by email to the Senior Independent Director, Pn. Hjh. Juliana Heather Binti Ismail at snr.inddir@mkland.com.my and any employment-related concerns to the Head of Human Resources ("HR") of the Company at HR.WhistleB@mkland.com.my.</p> <p>The Whistleblowing Policy has been updated on 22 May 2020 in compliance with the Section 17A of the MACC Act 2009 (Amendment 2018) on corruption offences by commercial organisation which became effective on 1 June 2020.</p> <p>The Board will review the Whistleblowing Policy annually and a copy is available on the Company's website at www.mkland.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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	:	<p>The Board consists of one (1) Executive Chairman, one (1) ED and three (3) INEDs.</p> <p><u>Executive Chairman</u> Pn. Hjh Felina binti Tan Sri Datuk (Dr.) Hj Mustapha Kamal ("Pn Hjh Felina")</p> <p><u>ED</u> Mr. Lau Shu Chuan ("Mr. SC Lau")</p> <p><u>INEDs</u> (1) Pn. Hjh Juliana Heather binti Ismail ("Pn. Hjh Juliana") (2) Ms. Anita Chew Cheng Im ("Ms. Anita Chew") (3) Dato' Tan Choon Hwa @ Esther Tan Choon Hwa ("Dato' Esther Tan")</p> <p>The Board composition comprises a majority, i.e. 60% of independent directors, and all the three (3) independent directors satisfy the independence test under the MMLR of Bursa Securities.</p> <p>The Board which comprises members from various professions with relevant competencies, expertise, skills, and relevant market and industry knowledge, will ensure the Group has the necessary financial and human resources to meet its strategic objectives.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.2

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

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

Application	:	Applied - Annual shareholders' approval for independent directors serving beyond 9 years
Explanation on application of the practice	:	<p>Ms. Anita Chew and Pn. Hjh Juliana who were appointed to the Board on 19 February 2009 and 21 December 2009 respectively, have served as INEDs of the Company for a cumulative term of more than nine (9) years. The NC (save for Ms. Anita Chew and Pn. Hjh Juliana, who had abstained from deliberation) has carried out a rigorous annual assessment on the independence of Ms. Anita Chew and Pn. Hjh Juliana based on the criteria as set out in the MMLR of Bursa Securities, to determine whether they might have impaired their independent judgement or their ability to act in the best interest of MK Land Group.</p> <p>The Board and the NC members (save for Ms. Anita Chew and Pn. Hjh Juliana, who had abstained from deliberation) concluded that the independence of Ms. Anita Chew and Pn. Hjh Juliana had not been impaired in any way.</p> <p>The Board, upon recommendation by the NC, intends to retain Ms. Anita Chew and Pn. Hjh Juliana as INEDs beyond nine years due to the following reasons:</p> <p>(a) The Board and the NC members concluded that the qualification, experience and credentials of Ms. Anita Chew and Pn. Hjh Juliana are valuable to the Board. They are familiar with the Company's business operations and the property development market as they have been with the Company for more than nine years and are aware of current issues confronting the Company and they continue to provide valuable input to steer the Company forward.</p> <p>(b) Ms. Anita Chew and Pn. Hjh Juliana confirmed that they had complied with the definition of "Independent Director" as defined in Chapter 1 of the MMLR of Bursa Securities via Independent Directors' Self-Assessment Checklist.</p>

	<p>(c) The Board had assessed and concluded that Ms. Anita Chew and Pn. Hj Juliaana are able to exercise independent and objective judgement and act in the best interests of the Company.</p> <p>(d) The Board is of the view that Ms. Anita Chew and Pn. Hj Juliaana remain independent in character and judgment and will be able to function as a check and balance, bringing an element of objectivity to the Board.</p> <p>The Board shall recommend the proposed continuation in office of Ms. Anita Chew and Pn. Hj Juliaana as INEDs to the shareholders for approval at the forthcoming 41st Annual General Meeting ("41st AGM") by way of ordinary resolution.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3 - 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	:	<p>The Board recognises the importance of boardroom diversity and values the benefits that diversity can bring to its board of directors.</p> <p>The Board also recognises that having a range of different perspective, knowledge, skills, background, industry experience, gender and diversity is essential to ensure a broad range of viewpoints to facilitate optimal decision making and effective corporate governance.</p> <p>The Board is of the view that while promoting boardroom diversity is essential, the normal selection criteria of a Director is based on an effective blend of competencies, skills, extensive experience and knowledge so as to strengthen the Board.</p> <p>The NC was tasked with the responsibility for identifying, assessing and recommending the right candidates to the Board as well as reviewing and assessing the composition and performance of the Board. In making its recommendations, the NC will consider, among others, the mix of skills, knowledge, experience, diversity (including gender diversity), background, intergrity, competence, time commitment and independence in order to meet the operational objectives, strategic goals and business requirements of the Group.</p> <p>During the financial year under review, there are four female Directors on Board, namely Pn. Hjh Felina, Pn. Hjh Juliana, Ms. Anita Chew and Dato’ Esther Tan, representing 80% of the total Board members.</p> <p>The existing Directors’ age distribution falling within the respective age group is as follows:</p> <table><tr><td>Age Group</td><td>40-49 years</td><td>50-59 years</td><td>60 years and above</td></tr><tr><td>No. of Directors</td><td>1</td><td>1</td><td>3</td></tr></table> <p>The current diversity in the race/ethnicity and nationality of the existing Board is as follows:</p> <table><tr><td></td><td colspan="4">Race/Ethnicity</td><td colspan="2">Nationality</td></tr><tr><td></td><td>Malay</td><td>Chinese</td><td>Indian</td><td>Others</td><td>Malaysian</td><td>Foreigner</td></tr><tr><td>No. of Directors</td><td>2</td><td>3</td><td>-</td><td>-</td><td>5</td><td>-</td></tr></table>	Age Group	40-49 years	50-59 years	60 years and above	No. of Directors	1	1	3		Race/Ethnicity				Nationality			Malay	Chinese	Indian	Others	Malaysian	Foreigner	No. of Directors	2	3	-	-	5	-
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	<p>The Board has delegated to the NC the appointment and evaluation of the key senior management comprising the Group Chief Executive Officer (“GCEO”), Chief Operating Officer and Group Financial Controller.</p> <p>The appointment of other Senior Management personnel will be delegated to the Company’s Head of Human Resources and they will focus on the working experience, skills, gender, competencies, integrity and commitment in the assessment of any potential candidate for recruitment as senior management personnel before recommending them to the DCOO of the Company for consideration, approval and recruitment.</p> <p>The age distribution of the existing senior management falling within the respective age group is as follows:</p> <table border="1" data-bbox="547 728 1396 862"> <tr> <th>Age Group</th> <th>40-49 years</th> <th>50-59 years</th> <th>60 years and above</th> </tr> <tr> <td>No. of Senior Management</td> <td>4</td> <td>7</td> <td>1</td> </tr> </table> <p>The current diversity in the race/ethnicity and nationality of the existing senior management is as follows:</p> <table border="1" data-bbox="547 1003 1409 1137"> <tr> <th rowspan="2"></th> <th colspan="4">Race/ethnicity</th> <th colspan="2">Nationality</th> </tr> <tr> <th>Malay</th> <th>Chinese</th> <th>Indian</th> <th>Others</th> <th>Malaysian</th> <th>Foreigner</th> </tr> <tr> <td>No. of Senior Management</td> <td>9</td> <td>2</td> <td>1</td> <td>-</td> <td>12</td> <td>-</td> </tr> </table>	Age Group	40-49 years	50-59 years	60 years and above	No. of Senior Management	4	7	1		Race/ethnicity				Nationality		Malay	Chinese	Indian	Others	Malaysian	Foreigner	No. of Senior Management	9	2	1	-	12	-
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Intended Outcome

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

Practice 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 Company strongly endorses diversity within the Board and across the Company as it is of the view that a diversified Board and senior management has the prospects of achieving greater effectiveness, creativity and capacity to thrive in a challenging and uncertain business environment.</p> <p>The Company takes into consideration and aims to make good use of the differences in the skills, regional and industry experience, background, race, gender and other qualities of its Directors and senior management.</p> <p>The Company strives to ensure that there is no discrimination in age, ethnicity or gender when deciding on the composition of the Board and in appointments of senior management of M K Land Group.</p> <p>The Company has in place a Board and Senior Management Diversity Policy. The current Board Diversity Policy to maintain at least 30% women on the Board, has been achieved.</p> <p>Currently, there are one (1) male Director and four (4) female Directors, namely Pn. Hj Felina, Pn. Hj Juliana, Ms. Anita Chew and Dato' Esther Tan, representing 80% of women participation on Board.</p> <p>Specified senior management appointments, namely Group Chief Executive Officer, Chief Operating Officer and Group Financial Controller, will be considered by the NC (where applicable) on their skills set, competencies, experience, character and integrity as well as other requisite qualities prior to its recommendation to the Board for approval.</p> <p>In respect of workforce diversity, M K Land Group is committed to provide equal employment opportunities and practices merit-based promotion regardless of gender. Out of all our employees, 61% are male while 39% are female.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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 delegates to the NC the responsibility to establish a formal and transparent procedures for the nomination and appointment of new Directors to the Board. Such responsibilities include screening, conducting initial selection of internal and external candidates, performing requisite evaluation and assessment on the candidate's potential ability to discharge their duties effectively and efficiently, prior to making recommendations to the Board for its approval.</p> <p>The NC would ensure candidates possess the appropriate skills, knowledge, core competencies, experience, character and integrity to effectively discharge his or her role as a Director.</p> <p>The NC has the authority to obtain the services of professional recruitment firms to source for candidates for directorship or seek independent professional advice whenever necessary.</p> <p>There was no new appointment to the Board during the financial year under review.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.7

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The NC is chaired by Pn. Hjh. Juliana effective 13 December 2017, who is the Senior Independent Non-Executive Director of the Company. The other two (2) members of the Nominating Committee are nominated among the INEDs.</p> <p>The primary responsibilities of the Nominating Committee are set out in its Terms of Reference, which is available on the Company’s website at www.mkland.com.my.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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>During the financial year under review, the NC facilitated by the Company Secretaries, had conducted a formal and objective internal annual assessment of the Board performance as a whole, the Board Committees and individual Directors, based on self and peer assessments which was undertaken internally. The assessment covers the size and composition of the Board as well as skill mix, industry experience, roles and responsibilities, and effectiveness of the Board, Board Committees and individual directors as a whole based on a set of questionnaires and rating system.</p> <p>Below are the criteria used to assess Board, Board Committees and individual Directors respectively during the financial year under review:</p> <p>(a) Directors' self-assessment:</p> <ul style="list-style-type: none">• ability to give input at meetings;• ability to demonstrate a high level of professionalism and integrity in the decision making process; and• competency and contribution. <p>(b) Board Committees' assessment:</p> <ul style="list-style-type: none">• contributions to interactions, roles and duties, knowledge and integrity;• oversight over the effectiveness and quality of the internal and external audits, risk management and internal control and financial reporting; and• governance, independence and risk management. <p>(c) Independent Directors' self-assessment.</p> <p>The NC has adopted the same criteria of "Independence" used in the definition of "independent directors" prescribed under the MMLR of Bursa Securities and MCGG.</p>

	<p>The results of the assessments are compiled by the Group Secretary for deliberation and recommendation by NC at its meeting and the NC will subsequently table the matter to the Board for their consideration and approval.</p> <p>The summary of the results of assessment showed that all Directors registered an average score level of between 3 and 4, which denoted an average score. All INEDs had met the requirements as independent directors.</p> <p>The Board had undertaken the annual evaluation of itself, its committees and each individual director for the financial year ended 30 June 2020.</p> <p>The Board was satisfied with the outcome of the evaluation and was of the view that the internal evaluation was adequate to determine the overall effectiveness of the Board and individual directors.</p> <p>The Board recognises that it is important that all Directors should be able to dedicate sufficient time to the Company to discharge their duties and responsibilities.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 6.1

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 Board had on 8 October 2018 adopted a Remuneration Policy to support the Directors and key senior management in carrying out their responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board's objective in this respect is to offer a competitive remuneration package in order to attract, motivate, retain and reward Directors and key senior management particularly at the leadership level, who will drive and manage the Company's performance.</p> <p>The remuneration of the Chairman and ED comprise various components, primarily consisting of basic salary, performance-based bonus, benefits-in-kind and other incentives, where applicable. The remuneration of Chairman and ED are structured to link rewards to individual and corporate performance.</p> <p>The remuneration of the INEDs is in the form of Directors' fees, meeting allowance and the reimbursement of expenses incurred, if any, in the course of performing their services.</p> <p>The level of remuneration for INEDs shall reflect the workload and level of responsibilities undertaken by the INEDs concerned whilst having regards to comparable market rates. However, the remuneration of an INEDs shall not be based on commission or a percentage of profits or turnover.</p> <p>The remuneration components of key senior management shall consist of basic salary, performance-based bonus, benefits-in-kind and other incentives (where applicable). The remuneration of key senior management is determined at a level which enables the Company to attract, develop and retain high performing and talented individual with the relevant experience, level of expertise and responsibilities and is structured so as to link rewards to individual and corporate performance.</p>

	<p>The remuneration packages of INEDs are reviewed by the RC annually to ensure the remuneration and incentives for INEDs do not conflict with their obligation to bring objectivity and independent judgement on matters discussed at Board meetings, and thereafter recommend to the Board for their consideration with the Director concerned abstaining from deliberations and voting on decision in respect of his/her individual remuneration packages. The Board will then recommend the payment of the yearly Directors' fees and meeting allowances payable to INEDs to the shareholders for approval at each annual general meeting of the Company in accordance with Section 230(1) of the Act.</p> <p>The Board will review the Remuneration Policy annually and the Remuneration Policy of the Company is available on the Company's website at www.mkland.com.my.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 6.2

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

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

Application	:	Applied												
Explanation on application of the practice	:	<p>The RC of the Company comprises exclusively of INEDs, are as follows:</p> <table><tr><th>Name</th><th>Designation</th><th>Date of Appointment</th></tr><tr><td>Pn. Hjh Juliana</td><td>Chairman, INED</td><td>13 December 2017</td></tr><tr><td>Ms. Anita Chew</td><td>Member, INED</td><td>27 February 2018</td></tr><tr><td>Dato' Esther Tan</td><td>Member, INED</td><td>27 February 2018</td></tr></table> <p>The Board upon the recommendation of the RC, had on 22 October 2020 approved the revised TOR which is available on the Company's website at www.mkland.com.my.</p> <p>The Board had on the same date adopted a Remuneration Policy to support the Directors and key senior management in carrying out their responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board's objective in this respect is to offer a competitive remuneration package in order to attract, motivate, retain and reward Directors and senior management particularly at the leadership level, who will drive and manage the Company's performance.</p> <p>The Board had on 22 October 2020 approved the RC's recommendation for the Directors' fees in respect of the financial year ended 30 June 2020 and for the period from 1 July 2020 until the next Annual General Meeting ("AGM") to be held in 2021, as well as Directors' benefits from 2 December 2020 until the next AGM. The payment of the Directors' fees and benefits will only be made after the proposed resolutions are passed at the forthcoming AGM.</p>	Name	Designation	Date of Appointment	Pn. Hjh Juliana	Chairman, INED	13 December 2017	Ms. Anita Chew	Member, INED	27 February 2018	Dato' Esther Tan	Member, INED	27 February 2018
Name	Designation	Date of Appointment												
Pn. Hjh Juliana	Chairman, INED	13 December 2017												
Ms. Anita Chew	Member, INED	27 February 2018												
Dato' Esther Tan	Member, INED	27 February 2018												
Explanation for departure	:													

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

Intended Outcome

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

Practice 7.1

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

Application	:	Applied							
Explanation on application of the practice	:	The detailed disclosure on name basis for the remuneration of individual directors are set out below:-							
		No.	Director	Salary & EPF	Fee	Meeting Allowance	Benefits In-Kind	Car Allowances	Total
				RM	RM	RM	RM	RM	RM
		1	Pn. Hj. Felina Binti Tan Sri Datuk (Dr.) Hj. Mustapha Kamal	1,593,600	-	20,000	120,000	240,000	1,973,600
		2	Ms. Anita Chew Cheng Im	-	93,500	30,000	-	-	123,500
		3	Pn. Hj. Juliana Heather Binti Ismail	-	99,000	32,000	-	-	131,000
		4	YBhg. Dato' Tan Choon Hwa @ Esther Tan Choon Hwa	-	77,000	32,000	-	-	109,000
		5	Mr. Lau Shu Chuan	1,142,250	-	14,000	50,000	100,000	1,306,250
		Total		2,735,850	269,500	128,000	170,000	340,000	3,643,350
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	:	<p>Disclosure on the remuneration of the top five senior management in the bands of RM50,000 is not provided in the Corporate Governance Overview Statement of the Company's Annual Report 2020.</p> <p>The remuneration of the Executive Chairman and Executive Director is provided in Practice 7.1 above.</p> <p>At this juncture, the Board is of the opinion that the disclosure on the remuneration of the other senior management on a named basis in bands of RM50,000 would not be in the best interest of the Group due to confidentiality and sensitivity concerns, and it may also lead to competitor companies attempting to 'poach' our experienced senior management.</p> <p>The Board will ensure that the remuneration of the senior management is commensurate with their duties and responsibilities and the performance of the Company and further, will seek external expertise advice when necessary.</p> <p>Based on the above rationale, the Company is not in favour of disclosing the remuneration of the top five senior management on a named basis in bands of RM50,000.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	<p>The Audit Committee ("AC") comprises three members, all of whom are INED.</p> <p>The AC Chairman, appointed on 13 December 2017, is led by Ms. Anita Chew, an Independent Non-Executive Director, who graduated from Monash University, Australia with Bachelor of Economics degree, majoring in Accounting.</p> <p>The Chairman of the AC is not the Chairman of the Board.</p> <p>During the financial year under review, the AC Chairman had ensured that, among others:</p> <ul style="list-style-type: none">a) The AC is fully informed about significant matters related to the Company's audit and its financial statements and addresses these matters;b) the AC appropriately communicates its insights, views and concerns about relevant transactions and events to internal and external auditors;c) AC's concerns on matters that may have an effect on the financial or audit of the Company are communicated to the external auditor; andd) Maintaining active on-going dialogue with management and both internal and external auditors. <p>The Board upon the recommendation of the AC, had on 22 October 2020 approved the revised TOR of AC so that it would be in line with the MCCG.</p> <p>The duties and responsibilities of the Chairman of the AC are defined in the TOR of the AC, which is available on the Company's website at www.mkland.com.my.</p> <p>Further details of the internal audit activities are set out in the AC Report and Statement on Risk Management and Internal Control of the Company's Annual Report 2020.</p>

Explanation for departure	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
Measure	:			
Timeframe	:	<table border="1"> <tr> <td></td> <td></td> </tr> </table>		

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 TOR of AC has been revised and adopted by the Board on 8 October 2018 to include the observation of cooling-off period of at least two years before a former key audit partner can be appointed as a member of the AC.</p> <p>None of the members of the AC was a former key audit partner during the financial year under review.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.3

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 Board upon the recommendation of the AC, has in place the following policies in assessing the suitability, objectivity and independence of the external auditors which has been the Company's best practice during the financial year under review:</p> <ul style="list-style-type: none">(a) on appointment, re-appointment and removal of external auditors (including selection and qualification criteria).(b) on types of non-audit services that are prohibited and limits to the level of fees for non-audit services rendered by the external auditors.(c) to govern the appointment of a former key audit partner as a member of the AC and/or employee. <p>During the Board meeting held on 22 October 2020, the AC had via questionnaire assessed the external auditors on their quality of service, sufficiency of resources, communication and interaction, and independence, objectivity and professional scepticism for their audit conducted for the financial year under review.</p> <p>In ensuring that the provision of non-audit services to the Company does not impair the external auditors' independence or objectivity, the policy sets out the thresholds and procedures that need to be observed when contracting the external auditors to provide such services.</p> <p>The external auditors, BDO PLT ('BDO') have confirmed to the AC that they have continuously complied with the relevant ethical requirements regarding their independence throughout the conduct of the audit engagement with the Group, in accordance with the International Federation of Accountants' Code of Ethics for Professional Accountants and the Malaysian Institute of Accountants By-Laws (on Professional Ethics, Conduct and Practice).</p> <p>During the financial year under review, the AC met with BDO twice to discuss on the financial statements and accounting issues, in the absence of the management.</p>

	<p>The AC was satisfied with the suitability of BDO, as a firm as well as in terms of the professional staff assigned to the audit, based on the quality of services and sufficiency of resources they provided to the Group.</p> <p>As recommended by the AC, the Board had on 22 October 2020 approved the AC's recommendation for shareholders' approval to be sought at the forthcoming 41st AGM on the re-appointment of BDO as the external auditors of the Company for the financial year ending 30 June 2021.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted														
Explanation on adoption of the practice	:	During the financial year under review, the AC comprises the following members, all of whom are INEDs:														
		<table><tr><th>Name</th><th>Designation</th><th>Date of Appointment/ Redesignation</th></tr><tr><td>Ms. Anita Chew</td><td>Chairman, INED</td><td>13 December 2017</td></tr><tr><td>Pn. Hj Juliana</td><td>Member, INED</td><td>27 February 2018</td></tr><tr><td>Dato’ Esther Tan</td><td>Member, INED</td><td>26 September 2017</td></tr></table>	Name	Designation	Date of Appointment/ Redesignation	Ms. Anita Chew	Chairman, INED	13 December 2017	Pn. Hj Juliana	Member, INED	27 February 2018	Dato’ Esther Tan	Member, INED	26 September 2017		
Name	Designation	Date of Appointment/ Redesignation														
Ms. Anita Chew	Chairman, INED	13 December 2017														
Pn. Hj Juliana	Member, INED	27 February 2018														
Dato’ Esther Tan	Member, INED	26 September 2017														
		All the three INEDs have satisfied the independence test based on the criteria set out in the MMLR of Bursa Securities.														

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>All AC members are financially literate and are able to understand matters under the purview of the AC including, among others, as follows:</p> <ul style="list-style-type: none">(a) financial reporting process;(b) ability to read and understand financial statements, including a company's statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, cash flow statement, notes to the statements, cost accounting, budgets and management's discussion and analysis;(c) ability to understand and assess the general application of accounting principles and apply a critical view on the underlying assumptions;(d) ability to analyse financial statements and challenge management's assertions on financials;(e) awareness of, and familiarity with, new financial reporting standards and how they impact the company's financial performance to enable the member to ask pertinent questions;(f) ability to assess the effectiveness of the audit process and the company's finance functions in generating reliable and timely financial information; and(g) ability to ask probing questions about the company's operations against internal controls and risk factors.

	<p>The AC members had demonstrated an appropriate level of vigilance and scepticism towards, among others, detection of any financial anomalies or irregularities in the financial statements.</p> <p>Where there are significant matters requiring judgement, the AC members had asked probing questions to ascertain whether the financial statements are consistent with operational and other information known.</p> <p>During the financial year under review, all AC members had also attended the training on the update on enhancement of Enterprise Risk Management (“ERM”) Framework.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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 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 risk management and system of internal control, and to ensure that the effectiveness, adequacy and integrity of the risk management and system of internal control are reviewed on an on-going basis.</p> <p>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 significant risks are reported to the Board on regular basis for their deliberation.</p> <p>The AC continuously evaluates and monitors the significant risks relevant to the Group and appraises and assesses the efficacy 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.</p> <p>Internal control and risk-related matters which warranted the attention of the Board were recommended 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.</p> <p>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 of the Company's Annual Report 2020.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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	:	<p>The Company has a Risk Management Framework that primarily consists of procedures to identify, assess, categorise, manage and report risks across the Group.</p> <p>The risk management framework adopted by the Company is based on an internationally recognised risk management framework.</p> <p>Further details of the features of risk management and internal framework of the Group including discussion on how key risks areas such as finance, operations, regulatory compliance, reputation, cyber security and sustainability were evaluated and the controls in place to mitigate or manage those risks are set out in the Statement on Risk Management and Internal Control in the Company's Annual Report 2020.</p> <p>The summary of reviews carried out during the financial year is set out in the Audit and Risk Management Committee Report in the Company's Annual Report 2020.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 9.3 - 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	:	<p>The AC has reviewed and evaluated the internal audit function pursuant to Guidance for Practice 10.1 of the MCCG on an annual basis.</p> <p>The Group has an internal audit function which is supported by an independent external firm of professional internal auditors, NGL Tricor Governance Sdn Bhd to assist the Group to accomplish its goals by bringing an objective and disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes.</p> <p>The internal audit function is to assist the Board and AC to evaluate the system of internal control and to provide their recommendation to the Board and the management for further improvement.</p> <p>During the financial year under review, the internal audit function had carried out the activities as stated in the Audit and Risk Management Committee Report.</p> <p>The AC had via questionnaires conducted an annual assessment of the performance of the internal audit function.</p> <p>Based on the annual assessment undertaken, the AC was satisfied that:</p> <ul style="list-style-type: none">(a) The internal audit was carried out objectively and is independent from the management of the Company and the functions which it audits;(b) the Internal Auditors have relevant experience, sufficient standing and authority to enable them to discharge their functions effectively;(c) the Internal Auditors have sufficient resources and are able to access information to enable them to carry out their role effectively; and(d) the Internal Auditors have the necessary competency, experience and resources to carry out the function effectively.

	Further details of the internal audit activities are set out in the Audit and Risk Management Committee Report and Statement on Risk Management and Internal Control of the Company's Annual Report 2020.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 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 of the Group was carried out by Internal Audit Department, complemented with an independent external firm of professional internal auditors, NGL Tricor Governance Sdn Bhd – which is headed by its Director, Mr Chang Ming Chew, who is a Certified Internal Auditor and a Professional Member of the Institute of Internal Auditors Malaysia. He is supported by a team of 3 to 6 staff. The Internal Audit Department works closely with the external independent internal auditors (“the Internal Auditors”) on their scope of works, as well as to identify and evaluate the risk factors on continuous basis and report directly to the AC. The approved annual Internal Audit Plan is designed to cover entities across all levels of operations within the Group.</p> <p>The internal audit function is carried out using a risk based approach and guided by the International Professional Practices Framework, issued by The Institute of Internal Auditors Malaysia.</p> <p>The Internal Auditors, confirmed that they are free from any relationships or conflicts of interest, which could impair their objectivity and independence.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is 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 Company's corporate disclosure is guided by the Corporate Disclosure Policies and Procedures which was available at www.mkland.com.my.</p> <p>Announcements such as quarterly financial results, changes in corporate information, entitlement dates, material transactions, etc are made to Bursa Securities and the Board is guided by the MMLR of Bursa Securities to ensure thorough and timely dissemination of material and reliable information from the Company to Bursa Securities, its shareholders and other stakeholders.</p> <p>To facilitate stakeholders to raise queries through a proper channel, the email addresses and telephone numbers of the designated management personnel are provided on the Company's website to facilitate continuous communication.</p> <p>The Board will review the Corporate Disclosure Policy and Procedures annually.</p> <p>The Company maintains a corporate website which provide information relating to financial results, announcements and the presentation materials discussed at the AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 11.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company is not a Large Companies as defined by MCCG. However, the Annual Report of the Company includes a Management Discussion and Analysis Statement with comprehensive financial and non-financial information disclosures, as a way to promote greater transparency and accountability to all our stakeholders.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>During the financial year ended 30 June 2019, the Company had given its shareholders more than 28 days’ notice of the 40th Annual General Meeting (“40th AGM”). The Notice of the 40th AGM was issued on 31 October 2019 for the AGM held on 5 December 2019.</p> <p>The forthcoming 41st AGM of the Company is scheduled for 8 December 2020 and the Notice for the 41st AGM has been despatched to shareholders of the Company on 30 October 2020, which is more than 28 days prior to the meeting.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>All the Board members attended the 40th AGM of the Company held on 5 December 2019.</p> <p>The Chairman presided over the AGM and where appropriate, directed the shareholders' queries to the Chairman of AC, NC and RC respectively during the meeting.</p> <p>Besides the Directors, the Management and external auditors were also in attendance to respond to shareholders' queries, if required.</p> <p>The Company has uploaded the presentation materials presented at the AGM on the Company's website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 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	:	<p>The location of the 40th AGM was held at Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, Bukit Kiara, 60000 Kuala Lumpur, which is easily accessible by the shareholders.</p> <p>The Board is guided by the provisions of the Constitution of the Company 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.</p> <p>Notice of the AGM contained the relevant information pertaining to the resolutions tabled and the shareholders were able to contact the Company for clarifications by contacting the personnel whose emails and telephone numbers were provided on the Company's website.</p> <p>The Company has also adopted electronic poll voting for all resolutions proposed at the 40th AGM.</p> <p>However, the 41st AGM of the Company will be conducted entirely on a virtual basis through live streaming and online remote voting via Remote Participation and Voting Facilities ("RPV"), which will provide a more efficient and accurate outcome of the results.</p> <p>Shareholders of the Company will be able to go online, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the 41st AGM via the RPV facilities provided by the Share Registrar of the Company.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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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