

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7025
COMPANY NAME : WOODLANDOR HOLDINGS BERHAD
FINANCIAL YEAR : December 31, 2017

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	: Applied
Explanation on application of the practice	<p>The Board is responsible to the shareholders for the strategic direction and proper management of the business of the Company and the Group with the objective of creating and enhancing shareholders' value.</p> <p>To achieve that objective, the Board reserves certain strategic and financial matters for its collective decisions.</p> <p>The Company is led and managed by a Board comprising five (5) members with a wide range of business, banking, accounting, financial and technical background.</p> <p>The Board currently consists of the Executive Chairman with one (1) Executive Director and three (3) Independent Non-Executive Directors. The Company has met the Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements ("Listing Requirements") in respect of having at least one third (1/3) of the membership of the Board comprising independent directors. The composition of the Board reflects a sufficiently wide and relevant mix of backgrounds, skills and experience vital for the successful direction and management of the Group's business operations. A brief profile of each Director is set out in pages 7 and 8 of this Annual Report.</p> <p>The Executive Directors have the responsibility of making and implementing operational decisions and running of the Group's business. The Non-Executive Directors play key supporting roles, contributing their knowledge, skills and experience towards the formulation of strategies and policies and in the decision making process. Where a potential conflict of interest may arise, it is mandatory practice for the director concerned to declare his interest and abstain from deliberations of the Board on the matter.</p>

	Apart from the Audit Committee which was established in 1997, the Board had in November 2001 established the Nomination Committee and Remuneration Committee.	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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 Executive Chairman assumes the position of Chief Executive Officer as he brings with him a wealth of about 17 years experiences in wood working industry and a calibre to ensure that strategies and policies approved by the Board are effectively implemented.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Departure	
Explanation on application of the practice	:	The Executive Chairman assumes the position of Chief Executive Officer as he brings with him a wealth of about 17 years experiences in wood working industry and a calibre to ensure that strategies and policies approved by the Board are effectively implemented.	
Explanation for departure	:	Nonetheless, the number of Non-Executive Directors constituting 60% of the Board bringing strong independent views, judgement, knowledge, experience and support to the Board's deliberation to ensure a balanced Board decision making process.	
		Taking into consideration the experience of the Executive Chairman/Chief Executive Officer, the relatively small business operations of the Group and other factors stated above, the Board considers that the departure from the recommended practice of separating the functions of the Chairman and that of the Chief Executive Officer is appropriate in the circumstances.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Company does not have any alternative plan to meet the intended outcome.	
Timeframe	:	No specific timeline set	

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 of the Company has the requisite credentials, and suitably qualified to act as company secretary under Section 235(2) of the Companies Act 2016 ("the Act"). The Company Secretary plays significant role in supporting the Board for ensuring that all governance matters and Board procedures are followed and that the applicable laws and regulations and the Code are complied with. These include obligations of Directors relating to disclosure of interests and disclosure of any conflicts of interest in transactions with the Group.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board and its committees are provided with notices and written reports and supporting information covering various aspects of the Group's operation and performance at least 7 days before the meeting date to ensure that they have sufficient time to study them and be prepared for discussion. The Board has access to all staff for any information pertaining to the Group's affairs.</p> <p>All directors have access to the advice and services of the Company Secretaries who are responsible for ensuring that Board procedures are followed. In addition, directors have access to independent professional advice in appropriate circumstances at the Company's expense in furtherance of their duties in accordance to procedure set by the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	The Board has approved a board charter ("Board Charter") which sets out the composition, roles and responsibilities and processes of the Board. The Board Charter is made available for reference in the Company's website at www.woodlandor.com.my .
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	:	The Board is committed in maintaining a corporate culture which engenders ethical conduct. A Code of Ethics is formalised through the Company's Code of Conduct, which summarises what the Company must endeavour to do proactively in order to increase corporate value, and which describes the areas in daily activities that require caution in order to minimise any risks that may occur. The Code of Ethics will be reviewed periodically. The Code of Conduct is made available for reference in the Company's website at www.woodlandor.com.my .
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board also has a separate Whistle-Blowing Policy stating the appropriate communication and feedback channels to facilitate whistleblowing. The implementation of such policy is in line with Section 587 of the Act where provisions have been made to protect the Company’s officers or stakeholders who make disclosures on breach or non-observance of any requirement or provision of the Act or on any serious offence involving fraud and dishonesty.</p> <p>The Whistle-Blowing Policy is made available for reference in the Company’s website at www.woodlandor.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	:	The number of Non-Executive Directors constituting 60% of the Board bringing strong independent views, judgement, knowledge, experience and support to the Board's deliberation to ensure a balanced Board decision making process.	
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 - Two Tier Voting	
Explanation on application of the practice	:	<p>The Board has implemented a nine-year policy for Independent Non-Executive Directors. Upon completion of the 9 years, an Independent Director may continue to serve on the Board subject to the Director’s re-designation as a Non-Independent Director. In the event such Director was to retain as an Independent Director, the Board would have to justify in the notice convening the annual general meeting (“AGM”) and seek shareholders’ approval the retention of such Independent Director at every AGM.</p> <p>The Board should seek annual shareholders’ approval through a two-tier voting process if the retention of such Independent Director was after the twelfth year.</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 4.3- Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	The Board has implemented a nine-year policy for Independent Non-Executive Directors.

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 Board does not set specific criteria for the assessment and selection of director candidate. However, the consideration would be taken on the need to meet the regulatory requirement such as the Companies Act, 2016 and Main Market Listing Requirements, the achievement in the candidate personal career, integrity, wisdom, independence of the candidate, ability to make independent and analytical inquiries, ability to work as a team to support the Board, possession of the required skill, qualification and expertise that would add value to the Board, understanding of the business environment and the willingness to devote adequate time and commitment to attend to the duties/functions of the Board to select the suitable candidate.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>A diversity policy has been established by the Board. The Board endeavours to have diversity of the Board as well as its workforce in terms of experience, qualification, ethnicity and age, in the context of the needs of the Company.</p> <p>The Board is supportive of the gender boardroom diversity recommended by the Code. The Board currently has 20% female representation, i.e. 1 female director whom is the Executive Director. During selection process, any list of proposed candidates to the Board shall consist of woman candidates, wherever reasonably possible. The Nomination Committee is responsible in ensuring that diversity objectives are adopted in board recruitment, board performance evaluation and succession planning processes.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.6

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

Application	: Applied
Explanation on application of the practice	<p>The Board nomination process is to facilitate and provide a guide for the Nomination Committee to identify, evaluate, select and recommend to the Board the candidate to be appointed as a director of the Company.</p> <p>The Board has established a nomination process of board members to facilitate and provide a guide for the Nomination Committee to identify, evaluate, select and recommend to the Board the candidate to be appointed as a director of the Company.</p> <p>The assessment/evaluation process may include, at the Nomination Committee's discretion, reviewing the candidate's resume, curriculum vitae and other biographical information, confirming the candidate's qualifications and conducting legal and other background searches as well as formal or informal interview at the Nomination Committee's discretion. The Nomination Committee would also assess the candidate's integrity, wisdom, independence, ability to make independent and analytical inquiries, ability to work as a team to support the Board, understanding of the business environment and the willingness to devote adequate time and commitment to attend to the duties/functions of the Board.</p> <p>The Nomination Committee may also obtain and rely upon independent sources such as a directors' registry, open advertisement or use of independent search firms in furtherance of their duties at the Company's expense, subject to approval by the Chairman or the Board, depending on the quantum of the fees involved. If the selection of candidates was solely based on the recommendations made by the Management, the existing Board member(s) or major shareholder(s), the Nomination Committee will explain why other sources were not used.</p> <p>Upon completion of the assessment and evaluation of the proposed candidate, the Nomination Committee would make its recommendation to the Board. Based on the recommendation of the Nomination Committee, the Board would evaluate and decide on the appointment of the proposed candidate.</p>

	The Chairman of the Board would then make an invitation or offer to the proposed/potential candidate to join the Board as a director. With the acceptance of the offer/invitation, the candidate would be appointed as director of the Company.	
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 duties of the Nomination Committee include considering candidates for Board vacancies and recommending all appointments to the Board. The Board will consider such recommended appointment and approve if they are found to be appropriate and suitable. The terms of reference of the Nomination Committee have been adopted by the Board and can be obtained from the Company's website at www.woodlandor.com.my.</p> <p>The summary of the activities of the Nomination Committee during the financial year are as follows:-</p> <ul style="list-style-type: none"> • Reviewed the mix of skill and experience and other qualities of the Board. • Assessed the effectiveness of the Board as a whole, the Board committees and the Directors. • Discussed the Company's Directors' retirement by rotation. • Discussed the re-appointment of the Company's Independent Directors who have served the Company for more than 9 years.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The director who is subject to re-election and/or re-appointment at next AGM shall be assessed by the Nomination Committee before recommendation is made to the Board and shareholders for the re-election and/or re-appointment. Appropriate assessment and recommendation by the Nomination Committee would be based on the yearly assessment conducted.</p> <p>The Board's effectiveness will be assessed in the following key areas of composition, administration and process, accountability and responsibility, Board conduct, communication and relationship with Management, performance of the Chairman, the time commitment in discharging their role and responsibilities through attendance at their respective meetings as well as the application of good governance principles to create sustainable shareholder's value.</p> <p>Criteria have been set to assess the independence of candidate for directors and existing directors based on the guidelines set out in the Listing Requirements.</p> <p>On an annual basis, the Directors are required to confirm their independence by completing the independence checklist.</p> <p>The results, in particular the key strength and weaknesses identified from the evaluation, will be shared with the Board to allow enhancements to be undertaken.</p> <p>The Company Secretary will facilitate the Nomination Committee in carrying out the annual assessment exercise.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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	:	Partially Departure
Explanation on application of the practice	:	<p>The Board has established a Remuneration Committee policy and procedure to facilitate the Remuneration Committee to review, consider and recommend to the Board for decision the remuneration package of the directors and key management.</p> <p>The Remuneration Committee evaluates the remuneration packages of Senior Management executives and recommends for the Board's approval, the framework of executive remuneration of the Executive Director's remuneration package. The components of the remuneration package for the Executive Director and Senior Management are linked to corporate and individual performance.</p> <p>To uphold the corporate governance and public confidence in the Company, Executive Directors should not be involved in deciding their own remuneration. In addition, Directors who are shareholders should abstain from voting at general meetings to approve their fees.</p> <p>For Non-Executive Directors, the level of remuneration is reflective of their experience and level of responsibilities. The remuneration payable to Non-Executive Directors are in respect of Directors' fees paid to Independent Non-Executive Directors only and also includes fees for chairman/chairperson and members of the Board Committees, who are Independent Directors. Non-Executive Directors' fees are determined by the Board as a whole with the Director concerned abstaining from deliberations and voting on decisions in respect of his/her fee.</p> <p>The fees of Directors, including Non-Executive Directors, are enclosed by the Board for approval by the Shareholders of the Company at the AGM.</p>
Explanation for departure	:	Such remuneration policy is not made available on the Company's corporate website as the Board is of the view that the confidentiality and sensitivity of the features of the Company's remuneration structure which are in supportive of the strategies

	and long-term vision of the Company will be able to safeguard accordingly.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Company does not have any alternative plan to meet the intended outcome.
Timeframe	:	No specific timeline set

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 duty of the Remuneration Committee is to ensure that the remuneration of the directors and key management commensurate with their skills, experience and responsibility. The directors concerned would abstain from discussion pertaining to their own remuneration. The terms of reference of the Remuneration Committee has been adopted by the Board and can be obtained from the Company's website at www.woodlandor.com.my.</p> <p>The activities undertaken by the Remuneration Committee during the financial year under review were as follows:</p> <ul style="list-style-type: none">• Formulated the remuneration policies and remuneration for the members of the Board and Board Committees, and recommended the same to the Board for approval.
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 :	<p>The aggregate remuneration of all the Directors of the Company during the financial year ended 31 December 2017 on a named basis with the detailed remuneration breakdown is as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="5">Company</th> </tr> <tr> <th>Salaries & other emoluments (RM) ^</th> <th>Fees (RM)</th> <th>Benefits -in-kind (RM)</th> <th>Others* (RM)</th> <th>Total (RM)</th> </tr> </thead> <tbody> <tr> <td>Executive Directors</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Dato' Seri Mun Weng Sum</td> <td>241,800</td> <td>24,000</td> <td>13,500</td> <td>29,845</td> <td>309,145</td> </tr> <tr> <td>Mun Li Choo</td> <td>260,000</td> <td>24,000</td> <td>5,300</td> <td>32,029</td> <td>321,329</td> </tr> <tr> <td>Non-Executive Directors</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Wang Hak Tham @ Wong Hak Tham (Retired on 8 June 2017)</td> <td>24,000</td> <td>-</td> <td>-</td> <td>-</td> <td>24,000</td> </tr> <tr> <td>Lim Soo Hee</td> <td>-</td> <td>24,000</td> <td>-</td> <td>-</td> <td>24,000</td> </tr> <tr> <td>Chay Ng</td> <td>-</td> <td>24,000</td> <td>-</td> <td>-</td> <td>24,000</td> </tr> <tr> <td>Dato' Teh Boon Sing (Appointed wef 7 December 2017)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>		Company					Salaries & other emoluments (RM) ^	Fees (RM)	Benefits -in-kind (RM)	Others* (RM)	Total (RM)	Executive Directors						Dato' Seri Mun Weng Sum	241,800	24,000	13,500	29,845	309,145	Mun Li Choo	260,000	24,000	5,300	32,029	321,329	Non-Executive Directors						Wang Hak Tham @ Wong Hak Tham (Retired on 8 June 2017)	24,000	-	-	-	24,000	Lim Soo Hee	-	24,000	-	-	24,000	Chay Ng	-	24,000	-	-	24,000	Dato' Teh Boon Sing (Appointed wef 7 December 2017)	-	-	-	-	-
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	Subsidiaries			
	Salaries & other emoluments (RM) ^	Benefits-in-kind (RM)	Others* (RM)	Total (RM)
Executive Directors				
Dato' Seri Mun Weng Sum	438,200	-	54,241	492,441
Mun Li Choo	338,700	-	41,473	380,173

Notes:
**Others are inclusive of Employer's Provident Fund (EPF) and Social Security Welfare (SOCSSO) contribution. Figure shown has been rounded up.*
^ Salaries & other emoluments are inclusive of bonus, allowance and gratuity.

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	:	While the Board is cognisant on the importance of transparency, to retain talents that are instrumental to the Company's business operations, the Board of Directors' believes that individual disclosure on a named basis for the remuneration of the top five Senior Management Personnel is not in the best interest of the Group.
		The Company believes that the interest of the shareholders will not be prejudiced as a result of the non-disclosure of the top five Senior Management Personnel's remuneration.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Company does not have any alternative plan to meet the intended outcome.
Timeframe	:	Not specific timeline set

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 positions of Chairman of the Audit Committee and the Board are held by 2 different individuals. Hence, the objectivity of the Board's review of the Audit Committee's findings and recommendations will be able to preserve. The Board is of the view that the chairperson of the Audit Committee has performed the duties as defined and his judgment was not impaired as he is sufficiently independent from Management in leading the discussion on the matters being deliberated and findings as well as recommendations made by the Audit Committee objectively in the Board meetings.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee has adopted a 2-year cooling-off period policy for a candidate whom is a former audit partner before being appointed as a member of the Audit Committee.</p> <p>However, the said policy currently does not apply to the Audit Committee given none of the Audit Committee nor Board members is a former audit partner of the retiring external auditors as at the date of this Corporate Governance (“CG”) Overview Statement.</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 Company has put in place the policies and procedures to assess the sustainability and independence of external auditors. The Audit Committee meets with the external auditor at least twice a year to discuss their audit plan, audit findings and the Company’s financial statements. At least twice a year and whenever necessary, the Audit Committee shall meet with the external auditors without the present of executive Board members or management personnel, to allow the Audit Committee and the external auditor to communicate independently.</p> <p>The Audit Committee considered the provision of non-audit services provided by the external auditors during the financial year and concluded the provision of these services did not compromise the external auditors’ independence and objectivity as the amount of fees paid for these services were no significant as compared to the total fees paid to the external auditors.</p> <p>The role of the Audit Committee and its activities undertaken in relation to the external auditors is stated in the Report of the Audit Committee on pages 21 to 23 of this Annual Report.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

There is 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	:	<p>The Board has established an effective and independent Audit Committee. The Committee consists of three (3) members, all of which are Independent Non-Executive Directors.</p> <p>The Board is of the view that the Audit Committee is able to assist the Board in reviewing and scrutinising the information in terms of accuracy, adequacy and completeness for disclosure to ensure reliability and compliance with applicable financial reporting standards.</p> <p>The composition of the Audit Committee is stated in the Report of the Audit Committee on page 21 of this Annual Report.</p>

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee chairperson, Lim Soo Hee together with all Audit Committee members, reviewed the Company's financial statements and Annual Audited Financial Statements in the presence of external auditors, prior to recommending them for the Board's approval and issuance to stakeholders.</p> <p>To assist the Board in reviewing and scrutinising the information in terms of accuracy, adequacy and completeness for disclosure to ensure reliability and compliance with applicable financial reporting standards, all the Audit Committee members will undertake continuous professional development to keep abreast of relevant developments in accounting and auditing standards, practices and rules.</p> <p>In addition to the duties and responsibilities set out under its terms of reference, the Audit Committee contributes to the Board's review of the effectiveness of the Group's internal control and risk management systems.</p> <p>The Board, through the recommendation of the Nomination Committee and with the exception of the Directors who are also Audit Committee members are financially literate and have sufficient understanding of the Company's business.</p> <p>Further details on the external programs attended by the Audit Committee are set out in the CG Overview Statement of the Annual Report on page 14.</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 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board acknowledges that risk management and internal control is an integral part of achieving the Group's objectives. The Board is committed to maintain a sound system of risk management and internal control and responsible for reviewing its adequacy and effectiveness.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has an on-going process of identifying, evaluation and managing key risks and the Board reviews the key risks highlighted on a regular basis to ensure appropriate actions are taken to mitigate the risks of the Group for continuous sustainable growth.</p> <p>The Statement of Risk Management and Internal Control is set out on page 26 of this Annual Report. It provides an overview of the state of risk management and internal control within the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 Board has also established an Internal Audit Function, which is currently outsourced to an independent professional firm. The Audit Committee reviews and approves the Internal Annual Audit Plan in order to ensure that the Internal Audit is effective to minimise and manage the overall risk exposure of the Group.</p> <p>The primary function of internal audit is to undertake systematic reviews of the governance, risk and internal control systems within the Group in accordance with an Internal Audit Plan. Their responsibility is to provide independent reports on the state of internal controls of the various operating units within the Group to the Audit Committee, provide recommendations for improvement of the control procedures and ensure that appropriate actions are taken.</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 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>For the financial year ended 31 December 2017, the Group has outsourced its internal audit functions to an independent assurance provider, Insight Advisory Services Sdn Bhd (“Insight”). Insight has no relationship with the Group and is independent from the Management and staff, directors and substantial shareholders of the Company.</p> <p>The Audit Committee is of the opinion that Insight is independent and objective in carrying out its role as internal auditors. The internal audit costs incurred for the financial year 2017 was RM32,000.00.</p> <p>The audit team consists of five members, is headed by a Chief Internal Auditor who is a member of the Malaysian Institute of Accountants, Malaysian Association of Certified Public Accountants and also a chartered member of the Certified Risk Professional and has a UK MBA degree.</p> <p>The internal auditors adopt the International Professional Practices Framework advocated by the Institute of Internal Auditors Inc. USA and have performed their work in accordance with the international internal auditing standards. The internal audit engagement is carried out based on an annual internal audit plan as approved by the Audit Committee.</p> <p>The internal audit activities are aligned with the Group’s business risks and the Internal Audit Charter which has been adopted by the Company for the internal auditors. Further details of the Internal Audit Charter are set out in the Report of the Audit Committee of the Annual Report on page 23.</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 recognises the importance of continuous communication with shareholders and investors to inform about the Group's latest financial performance and business / corporate matters. Such information is made available to shareholders and investors through Annual Reports, disclosures and announcements made to Bursa Securities and on the Group's website.</p> <p>The Board has implemented a corporate disclosure policy to ensure accurate, clear, timely and complete disclosure of material information necessary for informed meeting and take reasonable steps to ensure that all who invest in the Company's securities enjoy equal access to such information to avoid an individual or selective disclosure.</p> <p>Shareholders and the public can also access information on the Group's background, products and financial performance through 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

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	:	Applied
Explanation on application of the practice	:	The Company has also reported its Sustainability Statement on page 10 of this Annual Report covering the aspects of governance, environment and social responsibility for stakeholders’ reference.
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	:	To further improve the quality of information available to the shareholders and stakeholders and promote greater transparency and accountability on the part of the Company, the Board shall prepare a full sustainability statement and publish in the annual report to be issued for the financial year 2018.
Timeframe	:	Within 1 year

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>Shareholders are invited to attend the AGM each year. There will be Questions and Answer (“Q&A”) session at the AGM where the Executive Chairman, Directors, Company Secretary and the external auditors will be available to answer shareholders’ queries.</p> <p>The Board would ensure that Notice of AGM is sent to shareholders at least twenty-eight (28) days prior to the meeting.</p> <p>Apart from general meetings, the Company encourages shareholders to provide feedback and raise queries to the Company through the Company’s website www.woodlandor.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

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 Directors shall endeavor to present in person to engage directly with, and be accountable to the shareholders for their stewardship of the Company at the AGM. The Chairman, Executive Director and/or Key Management Personnel may also hold discussions with the press and analysts when necessary, to provide information on the Group's strategy, performance and major developments.</p> <p>After the Chairman's address, the Chairman or Executive Director will give a presentation which includes details on the performance, key developments and financial results for the reporting year and comments on outlook for the following year. The Chairman will share the Company's responses to questions posed by the Minority Shareholders Watchdog Group, if any before engaging the shareholders on Q&A session.</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	:	Applied	
Explanation on application of the practice	:	The Company will always makes sure that its general meeting is to be held at an accessible location but not in remote areas in order to encourage shareholders to attend and participate in the meeting. Having considered that the shareholder base of the Company is not large, the Board is of the view that there is no immediate need for the Company to leverage on technology to facilitate electronic poll voting and remote shareholder participation at this juncture of time.	
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	:	The Board will consider leveraging technology to facilitate voting in absentia from time to time, to more fairly reflect shareholders' views and to ensure accurate and efficient outcomes of the voting process.	
Timeframe	:	No specific timeline set	

**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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