

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0018
COMPANY NAME : LAMBO GROUP BERHAD
FINANCIAL YEAR : September 30, 2022

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 leads LAMBO and plays a strategic role in overseeing the Group's objectives, direction, goals and overall corporate governance to ensure that the strategic plans of the Group are implemented and accountability is monitored well.</p> <p>The following are the key matters of the Company reserved for the Board's approval:</p> <ul style="list-style-type: none">• Reviewing and approving the financial results, strategies, business plan and policies;• Overseeing and evaluating the conduct of the Group's businesses;• Ensuring competent management;• Ensuring the establishment of risk management framework and policies;• Reviewing the adequacy and integrity of the internal control systems and management information systems which include sound system of reporting and in ensuring regulatory compliance with applicable laws, regulations, rules, directive and guidelines; and• Acquisition and disposal of companies within the Group. <p>The Board reserves certain powers for itself and has delegated certain matters, such as the day-to-day management of the Group to the Executive Directors. The Non-Executive Directors including the Chairman are responsible for bringing independent judgment and scrutiny to decisions taken by the Board and providing objective challenges to Management.</p> <p>The Non-Executive Directors do not participate in the day-to-day management of the Group and do not engage in any business dealing or other relationship with the Group. In this manner, the Non-Executive Directors fulfil a crucial corporate accountability role as they provide independent and objective views, opinions and judgement on issues being deliberated and act in the best</p>

	<p>interest of the Group, its stakeholders and shareholders, including minority shareholders. There is a schedule of key matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Group are in its hands.</p> <p>In order to ensure the effective discharge of its function and responsibilities, the Board has established and approved to the respective Terms of Reference (“ToR”) for the relevant Board Committees where specific powers of the Board are delegated to the relevant Board Committees. The Board Committees include the following:</p> <ul style="list-style-type: none"> • Audit and Risk Management Committee (“ARMC”) • Nomination Committee (“NC”) • Remuneration Committee (“RC”) • Employee Share Option Scheme (“ESOS”) Committee. <p>Although specific powers are delegated to the Board Committees, the Board continues to keep itself abreast of the actions and decisions taken by each Board Committee, including key issues via reports by the Chairman and/or Chairperson of each of the Board Committees, as well as the tabling of minutes of all Board Committee meetings, to the Board at Board meetings. The Board reviews the respective Board Committees’ authority and ToR from time to time to ensure their relevance and enhance its efficiency. The ultimate responsibility for the final decision on all matters, however, lies with the Board of Directors as a whole.</p> <p>The ToR of each of the Board Committees as approved by the Board is available on the Company’s corporate website at www.lambogroup.my.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is currently chaired by Tn Hj. Abdullah Bin Abdul Rahman, the Independent Non-Executive Chairman of the Company.</p> <p>The Independent Non-Executive Chairman is not related to the Executive Director. The Independent Non-Executive Chairman is responsible for the Board's effectiveness and conduct, implementing the Group's policies, business plans and executive decision making and is assisted by the Executive Directors.</p> <p>The Independent Non-Executive Chairman also promotes an open environment for debate and ensures effective contributions from Non-Executive Directors. He also exercises control over the quality, quantity and timeliness of information flow between the Board and Management. Together with the other Non-Executive and Independent Directors, he leads the discussion on the strategies and policies recommended by the Management.</p> <p>At a general meeting, the Independent Non-Executive Chairman plays a role in fostering constructive dialogue between shareholders, Board and Management</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 1.3

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

Application	:	Applied
Explanation on application of the practice	:	In order to foster a strong governance culture in the Group and to ensure a balance of power and authority, the roles of Independent Non-Executive Chairman and Executive Directors are strictly separated. The Company practices a division of responsibilities between the Independent Non-Executive Chairman and the Executive Directors. This is also to maintain effective supervision and accountability of the Board and Executive Management. The Independent Non-Executive Chairman is responsible for Board effectiveness and to ensure that the conduct and working of the Board is in an orderly and effective manner while the Executive Directors take on the primary responsibility of managing the Group's businesses and resources as well as overseeing and managing the day-to-day operations of 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 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<p><i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i></p>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: <p>Tn Hj. Abdullah Bin Abdul Rahman ("Hj. Abdullah"), the Independent Non-Executive Chairman of the Company, is also the Chairman of Nomination Committee and Remuneration Committee and a member of the Audit and Risk Management Committee.</p> <p>The Board took cognisance that having the same person assume the position of Chairman of the Board and member/Chairman of Board committees gives rise to the risk of self-review and may impair the objectivity of the Chairman of the Board and the Board when deliberating on the observations and recommendations put forth by the Board committees. Nonetheless, Hj. Abdullah is not involved in management and operational matters of the Company, and he always provides constructive opinions to the Board and Board committees and showed impartiality in his judgement and conduct based on different perspectives as a Chairman of the Board and member/Chairman of Board committees.</p> <p>The Board has put in place the processes and procedures to ensure that by strict adherence to these authoritative promulgations, no single person can influence the Company's decision-making and policies, as there are processes, approval, compliance and governance safeguards in place. Decisions shall be agreed upon by the majority of the Board/Board committee members and in the best interests of the Company, to ensure check and balance as well as objective review by the Board.</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
Measure	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.

Timeframe	:	Choose an item.	
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Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company Secretaries of LAMBO, have the requisite credentials and are competent and suitably qualified to act as company secretary under Section 235(2) of the Companies Act 2016 ("the Act"). The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of their functions. The Company Secretaries play an advisory role to the Board in relation to the Company's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations.</p> <p>The Company Secretaries support the Board by ensuring that all Board meetings are properly conducted and adhered to board policies and procedures, rules, relevant laws and best practices on Corporate Governance ("CG") and deliberations at the Board and Board Committee meetings as well as follow-up on matters arising are well captured and recorded. The Company Secretaries also keep the Board updated on changes in the Listing Requirements and directives issued by the regulatory authorities, and the resultant implications to the Company and the Directors in relation to their duties and responsibilities.</p> <p>The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in CG through continuous training. The removal of the Company Secretaries is a matter for the Board, as a whole to decide.</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 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Directors have individual and independent access to the advice and dedicated support services of the Company Secretaries in ensuring the effective functioning of the Board. The Directors may seek advice from the Management on issues under their respective purview.</p> <p>Prior to the Board meetings, the agenda for each meeting together with a full set of the board papers containing the information relevant to the business of the meetings are circulated to the Directors at least seven (7) days before the meeting. The Directors may also interact directly with the Management, or request further explanation, information or updates on any aspect of the Company's operations or business concerns from them.</p> <p>In the intervals between Board meetings, for exceptional matters requiring urgent Board decisions, approvals will be obtained via circular resolutions which are supported with information necessary for an informed decision.</p> <p>The deliberations of the Board in terms of the issues discussed during the meetings and the Board's conclusions in discharging its duties and responsibilities are recorded in the minutes of meetings by the Company Secretaries. Minutes of meetings are circulated and confirmed as a correct record by the Board and Board Committees at the next meeting.</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 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 recognises the importance of establishing a single source of reference for Board activities through a Board Charter as recommended by the MCCG. As such, a Board Charter was formalised on 28 November 2013 to clearly delineate the roles of the Board, Board Committees and Management in order to provide a structured guidance for Directors and Management regarding their responsibilities of the Board, its Board Committees and Management, including the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Group as well as boardroom activities.</p> <p>The Board reviews and updates its Board Charter regularly as to keep itself up to date with new changes in regulations and best practices and to ensure its effectiveness and relevance to the Board's objectives. Any subsequent amendment to the Charter can only be approved by the Board. The Board Charter is available on the Company's corporate website at www.lambogroup.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 Company's Code of Ethics requires all officers and employees to observe high standards of business and personal ethics in carrying out duties and responsibilities. As employers and representatives of LAMBO, or any of its subsidiaries, they must practice honesty and integrity in fulfilling their duties and responsibilities, and comply with all applicable laws and regulations. It is thus the responsibility of all officers and employees to comply with the Code of Ethics and to report violations or suspected violations thereto.</p> <p>The salient features of the Code of Ethics are accessible by the public through the Company's corporate website at www.lambogroup.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 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>To maintain the highest standard of ethical conduct, the Board also has a separate formal 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 LAMBO'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. All concerns raised will be investigated and whistle-blowers can report directly to the Independent Director.</p> <p>The Whistle-Blowing Policy is accessible by the public through the Company's corporate website at www.lambogroup.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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a Sustainability Policy to demonstrate its commitment in promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The Board and Senior Management of the Company recognises the importance of prioritising sustainability as part of its overall approach to value creation.</p> <p>The policy outlines the general principles and structures the foundations that govern the sustainability strategy of the Group to ensure that all its corporate activities and businesses are carried out while enhance the sustainable creation of value for shareholders and taking into account the other stakeholders related to its business activities, natural resources, society and neighbouring communities, promoting the values of sustainability, integration and dynamism, favouring the achievement of the sustainable development goals.</p> <p>The Board fulfils its responsibilities by delegating to the management. The management is responsible for implementing, overseeing and addressing all sustainability-related issues from stakeholders and update the Board on the Group's sustainability management performance, key material issues identified by stakeholders and planned follow-up measures.</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

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established the Sustainability Policy to be complied by the Directors and employees of the Group as a whole, including its subsidiary companies.</p> <p>At those companies in which the Group has an interest but that do not form a part thereof, the Company will promote, through its representatives on the boards of directors thereof, the alignment of their own policies with those of the company, such that they adhere to principles and guidelines that are consistent with those established in the Sustainability Policy and in the environmental, social and corporate governance and regulatory compliance policies in further development thereof. The Group also committed to cascade its sustainability commitment, practices and culture to its extended business partners, suppliers and contractors.</p> <p>The Sustainability Policy are made available for reference by all employees, officers and directors of the Group as well as stakeholders and public in the Company's website, www.lambogroup.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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board and management have integrated sustainability considerations into all business decisions, functions and work processes, with the aim of creating value and contributing to sustainable development.</p> <p>The Board has in place policies and guidelines with integration of Environmental, Social and Governance (“ESG”) elements to promote good corporate governance culture within the Group and embedding sustainability principles into business operation. These include Sustainability Policy, Code of Conduct and Ethics, Whistle-blowing Policy and Anti-Bribery and Corruption Policy.</p> <p>The Board has delegated its sustainability responsibilities to the management. The management has been actively reviewing and monitoring sustainability initiatives to ensure alignment with the Company’s business goals. The management also diligently ensure that the Company’s conduct is in line with the Malaysian Code of Corporate Governance, Bursa Malaysia Securities Berhad’s Listing Requirements, Securities Commission Act, Companies Act 2016 and other local laws.</p> <p>The Board and management continue to advocate the element of sustainability within its business, the Company will stay committed to developing and enhancing our practices and initiatives.</p> <p>Further details are set out in the Sustainability Statement in the Annual Report.</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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company recognises the importance of prioritising sustainability as part of its overall approach to value creation. However, the Company is yet to incorporate sustainability issues in performance evaluations of the Board and senior management during the financial period under purview.	
	:	Currently, the performance review of individual directors and senior management covers for personal characteristic, integrity, competency, mix of skills and experience, time commitment to the Company and level of independence for independent directors, while evaluation on Board performance as a whole covers board structure, board operation and roles & responsibilities of the Board. Key performance indicator sets for Executive Directors and senior management were based on financial and quality management sustainability for the Group.	
	:	The Board will consider incorporating the sustainability issues in performance evaluations of the Board and senior management in near future.	
<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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

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 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee ("NC") is empowered by the Board to review and evaluate the composition and performance of the Board annually as well as assessing qualified candidates to occupy Board positions. In executing its role to create and maintain a diverse Board, the NC adheres to the recruiting and sourcing process that seeks to include diverse candidates in any director search. The NC also assesses the appropriate mix of diversity including gender, age, skills, experience and expertise required on the Board and address gaps, if any.</p> <p>During the financial period ended 2022 ("FPE2022"), the NC had reviewed the composition of the Board in respect of its structure, size and the required mix of skills and experience; assessed the independence of the Independent Directors; and assessed and evaluated the performance of the Board, Board Committees and individual directors.</p> <p>The NC, with the directors' rotation list presented by the Company Secretaries, identified the directors, namely Tn Hj. Abdullah Bin Abdul Rahman and Mr Ng Chee Kin, to be retired in accordance with the Constitution of the Company at Twenty-First (21st) Annual General Meeting ("AGM") and Mr Koo Kien Yoon and Mr Zhuang GuoHua, to be retired in accordance with the Constitution of the Company at Twenty-Second (22nd) AGM.</p> <p>From the annual assessment and review conducted for FPE2022, save and except for Mr Zhuang GuoHua ("Mr Zhuang"), who are currently uncontactable by the Company and has attended less than 50% of the total Board Meetings held during the FPE2022, the NC was satisfied that all other Directors possess sufficient qualification to remain on the Board.</p> <p>The Board of Directors through the NC has deliberated on the suitability of Mr Zhuang to be re-elected as Directors. Upon deliberation, the Board collectively agreed that Mr Zhuang does not meet the criteria of integrity, competence, and time commitment to effectively discharge his role as Director of the Company and therefore the Board does Not Recommend Mr Zhuang be re-elected as the Director of the Company.</p> <p>The NC assessed the respective directors' eligibility for re-election by considering their competencies, time commitment,</p>

	<p>contribution, and their ability to act in the best interest of the Company. Based on the satisfactory evaluation of the respective director's performance and contributions to the Board, save and except for Mr Zhuang, the NC then make recommendation to the Board their re-election at the 21st AGM and 22nd AGM to be held on 16 March 2023 respectively.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	<p>:</p>

Intended Outcome

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

Practice 5.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Board comprises of 5 members, comprising of 1 Independent Non-Executive Chairman, 2 Executive Directors and 2 Independent Non-Executive Directors. In this respect, the Board complies with the recommendation of the MCCG of which at least 50% of the Board is Independent Director. In addition, LAMBO also complies with the requirement of the Listing Requirements for Independent Non-Executive Directors to make up at least 1/3 of the Board membership.	
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 5.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted a 9 years policy for Independent Directors. Upon completion of 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 the Board intends to retain such Director as Independent Director after the latter has served a cumulative term of 9 years, the Board must justify the decision and seek shareholders' approval through a two-tier voting process at a general meeting, normally the Annual General Meeting ("AGM") of the Company.</p> <p>As of the date of the forthcoming AGM, Mr Ng Chee Kin ("Mr Ng") has been in office for a period of more than 9 years. The Board through the NC has assessed and determined that Mr Ng's vast and diverse range of experiences had brought the right mix of skills to the Board. As Director, he continues to bring independent and objective judgements to Board deliberations and decision-making process as a whole. The Board, therefore, endorsed the NC's recommendation for him to be retained as Independent Director of the Company. Thus, the Board shall seek shareholders' approval at the forthcoming AGM for Mr Ng to be retained as Independent Director through a two-tier voting process.</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 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

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 5.5

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

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company does not set specific criteria for the assessment and selection of director candidate. However, all candidates for appointment and/or election are first considered by the NC, taking into account the mix of skills, competencies, experience, professionalism and other relevant qualities required to well manage the business, with the aim to meet the current and future needs of the Board composition. The NC also evaluates the candidates' character and ability to commit sufficient time to the Group. Other factors considered for appointment of Independent Director will include the level of independence of the subject candidate</p> <p>The screening and evaluation process for potential candidates to be nominated as Directors are delegated to the NC. The process involves the NC's consideration and submission to the Board its recommendation of suitable candidates from either the Management, the existing Board member(s) or major shareholder(s) for the proposed appointment as Directors of the Company. The NC 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 NC will explain why other sources were not used.</p> <p>The shortlisted candidates who were not known to the existing Board members, were interviewed by the NC and thereafter, met with the Board of Directors for endorsement of appointment.</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 5.6

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

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied	
Explanation on application of the practice	:	<p>Currently, the sources to identify suitably qualified candidates for appointment of directors are on recommendations from existing Board members, senior management or major shareholders.</p> <p>However, the NC 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 NC will explain why other sources were not used.</p> <p>There was no new director appointed during the financial period ended 30 September 2022.</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 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>The NC would carry out formal assessment evaluation the performance as well as identifying any gaps or areas of improvement of the Individual directors, Board and Board Committee annually. The NC also would identify the directors to be retired (“Retiring Directors”) by rotation in accordance with the Constitution of the Company and assess the Retiring Directors’ eligibility for re-election by considering their competencies, time commitment, contribution and their ability to act in the best interest of the Company. Based on the satisfactory evaluation of the respective director’s performance and contributions to the Board, the NC then recommend to the Board the re-election of the Retiring Directors at the forthcoming AGM.</p> <p>The Board endorsed recommendation of the NC after reviewing the performance evaluation of the Retiring Directors, that the Retiring Directors to be considered for re-election at the forthcoming AGM.</p> <p>A statement of the Board is satisfied with the performance evaluation of the Retiring Directors, hence endorsed the recommendation of the NC for the Retiring Directors to be considered for re-election pursuant to the Company’s Constitution at the forthcoming AGM, is disclosed in the Explanatory Notes of the Notice of 21st and 22nd AGM enclosed in the Company’s 2022 Annual Report.</p> <p>The details of the respective directors to be retired during the forthcoming 21st and 22nd AGM were disclosed in the Profiles of Directors in the Company’s 2022 Annual Report including their age, gender, position in the Company, qualification, working experience, expertise, any position in Board Committee, any conviction of offence in the past 5 years and any conflict of interest with the Company. The shareholdings of the Retiring Directors were disclosed in the Analysis of Shareholdings in the Company’s 2022 Annual Report.</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 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination Committee is chaired by Tn Hj. Abdullah Bin Abdul Rahman, an Independent Non-Executive 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 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board is aware of the importance of boardroom diversity and is supportive of the recommendation of MCCG to the establishment of boardroom and workforce gender diversity policy. The Board had adopted the Board Diversity Policy which sets out the Company's approach to diversity on the Board of LAMBO. The Board together with the NC will assess and evaluate current diversity levels, identify and analyse gaps and criteria for new board appointments, and thereafter recommend the strategies, objectives, targets and practical goals against an indicative time frame in order to maintain an appropriate range and balance of skills, experience and background on the Board. The Group will evaluate the suitability of candidates as a new Board member or as a member of the workforce based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Group, regardless of gender. Equal opportunity is given and does not practise discrimination of any form, whether based on age, gender, race and religion, throughout the organisation.</p> <p>Currently, our Board does not comprise of any female director. In line with the MCCG of at least 30% representation of women on Boards, the Board will evaluate and match the criteria of the potential candidate as well as considering the appointment of female director onto the Board in future to bring about a more diverse perspective.</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

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

Practice 5.10

The board discloses in its annual report the company’s policy on gender diversity for the board and senior management.

Application	:	Applied	
Explanation on application of the practice	:	The Board had adopted the Board Diversity Policy which sets out the Company’s approach to diversity on the Board of LAMBO. The Board together with the NC will assess and evaluate current diversity levels, identify and analyse gaps and criteria for new board appointments, and thereafter recommend the strategies, objectives, targets and practical goals against an indicative time frame in order to maintain an appropriate range and balance of skills, experience and background on the Board. The Group will evaluate the suitability of candidates as a new Board member or as a member of the workforce based on the candidates’ competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Group, regardless of gender. Equal opportunity is given and does not practise discrimination of any form, whether based on age, gender, race and religion, throughout the organisation.	
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 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The NC will be reviewing the Board's effectiveness in the following key areas of composition, administration and process, accountability and responsibility, Board conduct, communication and relationship with Management, performance of the Chairman and Executive Director, 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>The Board will undertake an annual assessment of Independent Directors as to justify whether they continue to bring independent and objective judgement to board deliberations. Self-assessment will be carried out by the Directors and the ARMC members once every year. 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 criteria used by the NC in evaluating the performance of an individual, including contribution to interaction, integrity, competency and time commitment of the members of the Board and Board Committees in discharging their duties, are in a set of questionnaires. The Board did not engage any external party to undertake an independent assessment of the Directors.</p> <p>From the annual assessment and review conducted for FPE2022, save and except for Mr Zhuang GuoHua ("Mr Zhuang"), the NC was satisfied that all the Directors possess sufficient qualification to remain on the Board. Save for the NC members who are also a member of the Board and have abstained from assessing their own individual performance as Director of the Company, each of the NC members view that all the Directors, save and except for Mr Zhuang, have good personal attributes and possess sufficient experience and knowledge in various fields that are vital to the Company's industry.</p>

	<p>As for the Board evaluation, the NC agreed that all the Directors, save and except for Mr Zhuang, have discharged their stewardship duties and responsibilities towards the Company as a Director effectively. The NC further concluded that the Board and Board Committees were functioning effectively as a whole with a high level of compliance and integrity.</p> <p>The NC was also satisfied that the Independent Directors are independent of management and free from any business or other relationship which could interfere with the exercise of independent judgment, objectivity or the ability to act in the best interests of the Company. Additionally, each of the Independent Directors has provided an annual confirmation of their independence to the NC and the Board.</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

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

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

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's remuneration policy for Directors is formulated to attract and retain individuals of the necessary caliber needed to run the business of the Group successfully. The remuneration is structured to link experience, expertise and level of responsibility undertaken by the Directors. The Directors play no part in deciding their own remuneration and shall abstain from discussing or voting on their own remuneration.</p> <p>The salient features of the remuneration policy of the Group are summarised as follows:</p> <ul style="list-style-type: none"> (a) The salary for Executive Director is set at a competitive level for similar roles within comparable markets, reflect the performance of the director, skills and experience as well as responsibility undertaken. (b) Directors' Fees are based on a standard fixed fee and are subject to approval by the Shareholders at the AGM. (c) The RC may obtain independent professional advice in formulating the remuneration package of its Directors. <p>The 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.</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 level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

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

Practice 7.2

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>In line with the MCCG, the Board has established the Remuneration Committee ("RC") which comprise solely of Independent Non-Executive Directors.</p> <p>The RC was established on 28 November 2013 and is responsible for recommending to the Board on the remuneration framework as well as the remuneration package of Executive Director to ensure that rewards commensurate with his contributions to the Group's growth and profitability in order to align the interest of the Director with those of the shareholders. The RC also ensures the level of remuneration for Non-Executive Directors and Executive Directors are linked to their level of responsibilities undertaken and contributions to the effective functioning of the Board.</p> <p>The Terms of Reference of the RC can be viewed at the Company's website at www.lambogroup.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

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The details of the Directors' remuneration paid or payable to all Directors of the Company (both by the Company and the Group) and categorised into appropriate components for the financial period ended 30 September 2022 were disclosed in the page 25 of the Company's 2022 Annual Report.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Koo Kien Yoon	Executive Director	0	48,000	169,000	5,000	0	28,000	250,000	94,000	48,000	169,000	5,000	0	28,000	344,000
2	Zhuang GuoHua	Executive Director	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Tn HJ. Abdullah Bin Abdul Rahman	Independent Director	85,000	0	0	0	0	0	85,000	85,000	0	0	0	0	0	85,000
4	Khor Chin Fei	Independent Director	85,000	0	0	0	0	0	85,000	85,000	0	0	0	0	0	85,000
5	Ng Chee Kin	Independent Director	34,000	0	0	0	0	0	34,000	98,000	0	0	0	0	0	98,000
6	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Choose an item.	Input info here	Input info here	Input info here
7	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company opts not to disclose the Senior Management's remuneration components (salary, bonus, benefits-in-kind and other emoluments) on a named basis as it is not in the best interest of the Company and Senior Management personnel to disclosure of their personal data to the public at large.</p> <p>The Company notes the need for corporate transparency in the remuneration of its senior management executives, however, given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Company's business activities, such disclosure may be detrimental to the business interests and give rise to recruitment and talent retention issues. Thus, the Company is of the view that the interest of the shareholders will not be prejudiced as a result of the non-disclosure of the Group's senior management personnel who are not directors of the Company.</p> <p>The remuneration of the senior management personnel, which is a combination of annual salary, bonus and benefits-in-kinds are determined in a similar manner as other management employees of the Group. The basis of determination has been consistently applied and is based on individual performance and the overall performance of the Group. The aggregate remuneration of the top senior management received for the FPE2022 was RM407,000 representing 8.8% of the total employees' remuneration of the Group.</p> <p>The Board is of the opinion that disclosure of remuneration of the Directors of the Board by appropriate components and the top senior management's total combined remuneration package should meet the intended objectives of the MCGG.</p>

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

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has set up the Audit and Risk Management Committee ("ARMC") which comprising exclusively of Independent Non-Executive Directors and the Chairman of the ARMC is not the Chairman of the Board.</p> <p>The ARMC is chaired by the Independent Non-Executive Director, Mr Khor Chin Fei. Meanwhile, the Chairman of the Board is Tn HJ. Abdullah Bin Abdul Rahman.</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 9.2

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

Application	:	Applied
Explanation on application of the practice	:	LAMBO recognised the need to uphold the independence of its external auditors and that no possible conflict of interest whatsoever should arise. As recommended by MCCG, the Company will observe a cooling-off period of at least 3 years in the event any potential candidate to be appointed as a member of the ARMC was a key audit partner of the external auditors of the Group. Currently, none of the members of the Board nor the ARMC of the Company was former key audit partners of the external auditors appointed by 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

There is an effective and independent Audit Committee.

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

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The ARMC is responsible for reviewing the audit, recurring audit-related and non-audit services provided by the External Auditors. The terms of engagement for services provided by the External Auditors are reviewed by the ARMC prior to submission to the Board for approval. The effectiveness and performance of the External Auditors are reviewed annually by the ARMC.</p> <p>To assess or determine the suitability and independence of the External Auditors, the ARMC has taken into consideration of, among others, the following:</p> <ul style="list-style-type: none">i) the adequacy of the competency, experience and quality of the External Auditors;ii) the External Auditor's resource capacity and ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;iii) the nature of the non-audit services provided by the External Auditors and fees paid for such services relative to the audit fee; andiv) whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the External Auditors. <p>Annual appointment or re-appointment of the External Auditors is via shareholders' resolution at the Annual General Meeting on the recommendation of the ARMC and the Board. The External Auditors are being invited to attend the Annual General Meeting of the Company to respond and reply to the Shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of the audited financial 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 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The Board has set up the ARMC which comprises exclusively of Independent Non-Executive Directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	Collectively, the members of the ARMC have the relevant experience and expertise in finance and accounting, and have carried out their duties in accordance with the Terms of Reference of the ARMC. The qualification and experience of the individual ARMC members are disclosed in the Board of Directors' Profile in this Annual Report. The ARMC members continuously keep themselves abreast of the latest development in accounting and auditing standards, statutory laws, regulations and best practices to enable them to discharge their duties effectively. Further details on the external programs attended by the ARMC members are set out in this Annual Report on page 15.
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 10.1

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 managing risks and maintaining a sound system of internal controls which cover risk management, financial, organisational, operational and compliance controls.</p> <p>The Board has established Enterprise Risk Management framework and on-going reviews are performed on a quarterly basis to identify, evaluate, monitor and manage significant risks affecting the business and ensure that adequate and effective controls are in place. Such continuous review processes are conducted by the Company’s Management Team as well as the Group’s independent and sufficiently resourced internal audit function. The findings of the internal audit function are regularly reported to the ARMC.</p> <p>The ARMC is tasked to review the risk management policies and internal control procedures formulated by Management and make relevant recommendations to the Board for approval from time to time as to ensure, as far as possible, the protection of its assets and its shareholders’ investments.</p> <p>Details of the Company’s risk management and internal controls framework are further elaborated in the ARMC Report and the Statement on Risk Management and Internal Control of this Annual Report on pages 37 to 39 respectively.</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 10.2

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 responsibilities of identifying and managing risks are delegated to the respective Heads of Department ("HoD"). The ARMC is responsible to review the effectiveness of the processes. Any material risk identified will be discussed and appropriate actions or controls will be implemented. This is to ensure the risk is properly monitored and managed to an acceptable level.</p> <p>The ARMC will assist the Board in implementing and overseeing the risk management framework of the Group and reviewing the risk management policies formulated by Management and to make relevant recommendations to the Board for approval.</p> <p>Main features of the Company's risk management framework and internal controls system are further elaborated in the Statement on Risk Management and Internal Control of Annual Report 2022 on pages 37 to 39.</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 10.3 - Step Up

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

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 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has delegated the implementation and monitoring of the internal control system to the Management and has engaged the services of an independent assurance provider to provide much of the assurance it requires regarding the effectiveness as well as the adequacy and integrity of the Group's systems of internal control. The internal auditors report directly to the ARMC on its activities based on the approved annual internal audit plans. The principal role of the internal auditors is to provide independent assurance on the adequacy and effectiveness of governance, risk management and internal control processes.	
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 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>For the financial period ended 30 September 2022, the Group has outsourced its internal audit function to Vaersa Advisory Sdn Bhd, a professional service firm (“Outsourced IA”).</p> <p>The Outsourced IA is headed by executive director, Ms Tiffany Lim, who holds a Bachelor of Degree with the Institute of Internal Auditors Malaysia.</p> <p>The Outsourced IA has assigned three (3) staffs, for the internal audit review. The personnel in the internal audit reviews possess professional qualifications.</p> <p>The internal audit reviews were conducted using a risk-based approach and were guided by, in all material respect, the International Professional Practice Framework issued by the Institute of Internal Auditors. The internal audit reviews involved assessing key risk areas, walkthrough or high-level reviews of the major operations, discussions held with management and key staff as well as tests of transactions on a sample basis.</p> <p>The internal audit function independently assessed operations of the Group’s system of internal control and provides reasonable assurance that the Group’s system of internal control is satisfactory and operating effectively. The internal audit function prepares risk-based internal audit strategy based on the risk profiles of individual business unit of the Group and present to the ARMC’s review and approval.</p> <p>The ARMC assessed the adequacy of the scope, functions, competency and resources of the internal audit function of the Group for the financial period under review and the internal audit function performed by the internal auditors was satisfactory and adequate. Accordingly, the ARMC and the Board agreed to continuously outsource the internal audit function in providing an independent appraisal on the adequacy and effectiveness of the Group’s internal control system.</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 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of prompt and timely dissemination of information to shareholders and investors, in order for these stakeholders to be able to make informed investment decisions. LAMBO's website incorporates an Investor Relations ("IR") section which provides all relevant information on the Group and is accessible by the public. This section enhances the IR function by including all announcements made by the Company, annual reports, Board Charter and the corporate and governance structure of the Company.</p> <p>The Company will continuously enhance the disclosures on its website for broader and effective dissemination of information to its stakeholders from time to time. The announcement of the quarterly financial results is also made via Bursa LINK in a timely manner as required under the Listing Requirements in ensuring equal and fair access to information by the investing public.</p> <p>To promote the dissemination of the financial results of the Company to investors, shareholders and media as well as to keep the investing public and other stakeholders updated on the progress and development of the Group's business, the Board may conduct the open briefings from time to time in ensuring constant interactions with existing and prospective investors. Stakeholders can at any time seek clarification or raise queries through the corporate website, by email or phone. Primary contact details are set out at the Group's corporate 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	:		
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Intended Outcome

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

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

Practice 12.2

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

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
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 13.1

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	:	As recommended by the MCCG, the notice of Annual General Meeting (“AGM”) will be despatched to the shareholders at least 28 days before the AGM. The Notice of AGM, which sets out the business to be transacted at the AGM, is also published in a major local newspaper. This would allow the shareholders to make necessary arrangements to attend and participate in person, by corporate representative, by proxy or by attorney.	
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 13.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company regards its general meetings, particularly its Annual General Meeting (“AGM”), as the principal forum for direct interaction and dialogue among shareholders, the Board and the Management. AGM provides an important avenue for effective communication with shareholders and for receiving constructive feedback particularly on matters concerning shareholders’ interests.</p> <p>Barring any unforeseen circumstances, all Directors including the Chairman of respective Board Committees are committed to attend the meeting of members of the Company. The Directors, the Management and External Auditors will be in attendance to respond to the shareholders’ queries.</p> <p>In view of the COVID-19 pandemic, the Twentieth (20th) AGM of the Company which was held on 28 October 2021 was conducted by way of a fully virtual basis and entirely via the Remote Participation and Voting (“RPV”) Facilities. All Directors including the Chairman of respective Board Committees have attended the said AGM to engage directly with shareholders and be accountable for their stewardship of the Company.</p> <p>During the AGM, the Chairman will invite shareholders to raise questions pertaining to the Company’s financial statements and other items for adoption at the meeting, before putting a resolution to vote and/or during the Q&A session.</p> <p>The Board will also share with the shareholders the Company’s responses to questions submitted in advance of the AGM by the Minority Shareholder Watchdog Group, if any.</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

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

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders’ participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>The Twentieth (20th) Annual General Meeting (“AGM”) held on 28 October 2021 was conducted on a fully virtual basis via live streaming, where members had joined the AGM online, and also voted electronically using the Remote Participation and Voting (“RPV”) facility.</p> <p>The shareholders were advised to take advantage of the RPV facility. Detailed procedures were provided to shareholders in the Administrative Guide to shareholders available on the Company’s website. Shareholders who are unable to attend general meetings may appoint any persons as their proxies to attend, speak and vote on their behalf at the general meetings in accordance with the relevant provisions of the Constitution.</p> <p>Shareholders who had registered to participate in the AGM had participated remotely via live streaming at the AGM. At the same time, they cast their votes online until the close of the voting session.</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

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

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>At its Twentieth (20th) AGM held on 28 October 2021, the Company had leveraged technology to convene its AGM as a fully virtual meeting conducted via live streaming, where members had joined the AGM online, and also voted electronically using the Remote Participation and Voting ("RPV") facility.</p> <p>Shareholders and proxies were able to submit their questions electronically via the RPV facility before and during the AGM.</p> <p>All Directors including the Chairman of respective Board Committees attended virtual AGM to engage directly with the shareholders. The Group's senior management, External Auditors and Company Secretaries were also attended the AGM to answer queries or issues raised by the shareholders relating to Group's financial performance and business operations.</p> <p>The Chairman of the meeting also plays a pivotal role in fostering constructive dialogue between shareholders, the Board and Senior Management. Shareholders are encouraged to present their views or to seek clarification on the proposed resolution and/or progress, performance and major developments of the Company by participating in the questions and answers session during the AGM.</p> <p>The Chairman will provide sufficient time to shareholders to raise questions and would respond to the shareholders with regards to their concern and questions raised accordingly. The Chairman had assigned the Executive Directors and Senior Management of the Company to answer the questions raised by shareholders/proxies. Most of the questions received from the shareholders/proxies were answered during the AGM. Whereby for lengthy questions or questions that required more time and more information, the management provided answers via email to the respective shareholders/proxies at earliest possible, after the meeting. All questions and answers received will be recorded in</p>

	the minutes of AGM, which is accessible in the Company's website.	
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 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: In view of the COVID-19 pandemic, the Company had convened its Twentieth (20 th) AGM as a fully virtual meeting conducted via live streaming. The Company had provided an Administrative Guide to the shareholders, which set out the procedures and requirements for Remote Participation and Voting (“RPV”) facilities. Shareholders and proxies that successfully registered for RPV were able to submit their questions electronically via the RPV facilities before and during the AGM. Shareholders/proxies had joined the AGM online, and also voted electronically using the RPV facility. The Chairman will provide sufficient time to shareholders to raise questions and would respond to the shareholders with regards to their concern and questions raised accordingly. The Chairman had assigned the Executive Directors and Senior Management of the Company to answer the questions raised by shareholders/proxies. Most of the questions received from the shareholders/proxies were answered during the AGM. Whereby for lengthy questions or questions that required more time and more information, the management provided answers via email to the respective shareholders/proxies at earliest possible, after the meeting. All questions and answers received will be recorded in the minutes of AGM, which is accessible in the Company’s website.
Explanation for departure	:

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: The minutes of Twentieth (20 th) AGM held on 28 October 2021 was not circulated to shareholders within 30 business days after the general meeting.
	The Board aware of the new MCCG guideline and will ensure the minutes of the forthcoming Annual General meeting will be at least uploaded to the Company's website within 30 business days after the AGM.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**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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