



# CORPORATE GOVERNANCE STATEMENT

## INTRODUCTION

The Board of Directors (“the Board”) remains fully committed to achieve and maintain high standards of corporate governance within the Latitude Tree Holdings Berhad (“LTHB”) Group.

The Board is guided by the principles and recommendations as promulgated by the Malaysian Code on Corporate Governance 2012 (the “MCCG 2012”) and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”) wherever applicable in the best interest of the shareholders of the Company.

This Statement sets out the key aspects of how the Company has applied the principles and recommendations of the MCCG 2012 during the financial year which includes commitment to excellence in governance standards. Save for limited exceptions as explained within this statement, the Board considers that throughout the financial year of 30 June 2015, the Company complied with the principles and recommendations of the MCCG 2012.

## ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

### 1.1 Clear functions of the Board and Management

The LTHB Group acknowledges the pivotal role played by the Board in the stewardship of its direction and operations, and ultimately the enhancement of long-term shareholders’ value. To fulfill this role, the Board is responsible for the overall corporate governance of the LTHB Group, including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Board has delegated the authority to achieve the corporate objectives to the Managing Director. The Managing Director remains accountable to the Board for the authority that is delegated to him, and for the performance of the Group.

The Board monitors the decisions and actions of the Managing Director and the performance of the Group to gain assurance that progress is being made towards the corporate objectives.

### 1.2 Duties and responsibilities

The Board has primary responsibility for the governance and management of the Group and fiduciary responsibility for the financial health of the Company. The Group acknowledges the importance of having an effective Board to lead and control the Group. The Board’s responsibilities include:

- a) Reviewing and adopting a strategic plan for the Company;
- b) Overseeing the conduct of the Company’s business to evaluate whether the business is being properly managed;
- c) Identifying principal risks and ensure the implementation of appropriate systems to manage these risks;
- d) Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing Executive Directors and Senior Management;
- e) Developing and implementing an investor relations programme or shareholder communications policy for the Company;
- f) Reviewing the adequacy and the integrity of the Company’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- g) Determining the remuneration of Non-Executive Directors, with the individuals concerned abstaining from discussions of their own remuneration; and
- h) Ensuring that the Company adheres to high standards of ethics and corporate behaviour.



# CORPORATE GOVERNANCE STATEMENT (CONT'D)

## ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT (CONT'D)

### 1.2 Duties and responsibilities (cont'd)

To ensure the effective discharge of its functions and responsibilities, the Board has established and delegated certain responsibilities to the Board Committees which have been set up, namely the Audit Committee, Nomination Committee and Remuneration Committee.

The Board Committees are entrusted with specific responsibilities to oversee the Company's affairs, in accordance with their respective Terms of References and operating procedures and the Board receives reports of their proceedings and deliberations. The Chairman of the respective committees will report to the Board the outcome of these meetings and such reports are incorporated into the Board papers. These committees were formed in order to enhance business and operational efficiency as well as efficacy. The Board remains fully responsible for the direction and control of the Company and of the Group.

### 1.3 Directors' Code of Business Conducts and Ethics

#### Code of Ethics

The Board has adopted a Code of Business Conducts and Ethics for Directors. The Code of Business Conducts and Ethics for Directors is intended to focus the Board and each Director on areas of ethical risk, provide guidance to Directors to help them recognise and deal with ethical issues, provide mechanisms to report unethical conduct and help foster a culture of integrity, honesty and accountability.

#### Whistle Blowing Policy

As part of the Company's continuous efforts to ensure that good corporate governance practices are being adopted, the Company has an established Whistle Blowing Policy to provide a clear line of communication and reporting of concerns for employees at all levels.

### 1.4 Strategies promoting sustainability

The Group recognises the importance of sustainability and its increasing impact to the business. The Group is committed to understanding and implementing sustainable practices and exploring the benefits to the business whilst attempting to achieve the right balance between the needs of the wider community, the requirements of shareholders and stakeholders and economic success. The Board has adopted a Sustainability/Environmental, Social and Corporate Governance (ESG) Policy for the Group.

The Group is committed to create a working environment in which all individuals are treated fairly and respectfully and have equal access to opportunities. Decisions related to recruitment selection, development or promotion are based on merit, irrespective of gender, age or ethnicity.

The Company is involved in various activities as part of its Corporate Social Responsibility efforts:

- a) Occupational Safety and Health  
The Company is committed to maintain high safety and health standards at work place. A committee has been set up to monitor the compliance of the safety and health standards. A series of in-house programmes on safety and health are regularly conducted with the assistance of external experts and committee members. This includes training on handling of machinery, chemical and flammable materials at work place.
- b) Contribution to charitable causes  
The Group has been contributing regularly to schools with an objective to assist in the development of education of the less fortunate as well as donations to charitable organisations.

During the financial year, the Group had contributed approximately RM100,000 to City of Hope, United States (a leading research and treatment center for cancer, diabetes and other life-threatening diseases) and donated 120 sets of classroom tables and chairs, manufactured by a Malaysia subsidiary of the Company, to a primary school in Kuala Terengganu, Terengganu.



# CORPORATE GOVERNANCE STATEMENT (CONT'D)

## ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT (CONT'D)

### 1.5 Access to information and advice

All Directors have access to all information concerning the Company and the Group from the Management and Board Committees as well as the advice and services of the Company Secretaries for the performance of their duties. Where necessary, the Director(s) may engage independent professionals at the Group's expense on specialised issues to enable the Director(s) to discharge his/their duties with adequate knowledge on the matters being deliberated.

### 1.6 Qualified and competent Company Secretaries

The Board has access to information with regard to the activities within the Group and to the advice and services of the Company Secretaries, who are responsible for ensuring the Board meeting procedures are adhered to. All matters discussed and resolutions passed at each Board Meeting are recorded in the minutes of the Board meeting.

The Board is regularly updated and advised by the Company Secretaries who are qualified, experienced and competent on new statutory and regulatory requirements, and the resultant implications to the Company and Directors in relation to their duties and responsibilities. The Company Secretaries brief the Board on the proposed contents and timing of material announcements to be made to regulators. The Company Secretaries attend all Board and Board Committees meetings and ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly.

The removal of Company Secretaries, if any, is a matter for the Board, as a whole, to decide. Every Director has unhindered access to the advice and services of the Company Secretaries.

### 1.7 Board Charter

The Board Charter was established by the Board to achieve the objectives of transparency, accountability and effective performance for the Group and the enhancement of corporate governance standards with the aim of enshrining the concepts of good governance as promulgated in the MCCG 2012.

The Board Charter promotes high standards of corporate governance and is designed to provide guidance and clarity for Directors and management with regard to the roles of the Board and its committees. The Board Charter is available in the Company's website, [www.lattree.com](http://www.lattree.com).

## STRENGTHEN COMPOSITION OF THE BOARD

### 2.1 Nomination Committee

The members of the Nomination Committee consist of three (3) Non-Executive Directors and meet as and when required. The composition, terms of reference, duties and responsibilities and other information of the Nomination Committee are set out on pages 30 and 31 of the Annual Report.

### 2.2 Develop, maintain and review criteria for recruitment processes and annual assessment of Directors

#### **Appointment Process**

The Board, through the Nomination Committee's annual appraisal, believes that the current composition of the Board brings the required mix of skills and core competencies required for the Board to discharge its duties effectively.



# CORPORATE GOVERNANCE STATEMENT (CONT'D)

## STRENGTHEN COMPOSITION OF THE BOARD (CONT'D)

### 2.2 Develop, maintain and review criteria for recruitment processes and annual assessment of Directors (cont'd)

#### **Appointment Process (cont'd)**

The Nomination Committee is also responsible for making recommendations to the Board on the suitability of candidates nominated for appointment to the Board and Board Committees. A formal and transparent procedures for appointment of directors was set out in the Terms of Reference of Nomination Committee.

The decision as to who should be appointed is the responsibility of the full Board after considering the recommendations of the Committee. The Company Secretaries will ensure that all appointments are properly made; all the necessary information is obtained as well as all legal and regulatory obligations are met.

#### **Re-election of Directors**

In accordance with the Company's Articles of Association ("Articles"), any Director appointed during the year is required to retire and seek re-election by shareholders at the following Annual General Meeting ("AGM") immediately after their appointment and that one third of the Board members are required to retire at every AGM and be subject to re-election by shareholders. All Directors, including the Managing Director shall retire from office at least once in every three years but shall be eligible for re-election.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

#### **Board Evaluation**

The Board regularly evaluates its performance and the governance processes that support the Board's work with the aim of improving individual contributions, effectiveness of the Board and its committees and LTHB's performance.

During the financial year under review, the Nomination Committee had reviewed and assessed the mix of skills and experience and size of the Board, contribution of each Director and effectiveness of the Board and Board Committees and also reviewed the retirement of Directors by rotation and eligibility for re-election.

#### **Gender Diversity**

The Board is presently of the view that there is no necessity yet to fix a specific gender diversity policy as the Board has a female director. The appointment of any Director(s) should be based on their merit, qualification and working experience and the Board is supportive of gender equality.



# CORPORATE GOVERNANCE STATEMENT (CONT'D)

## STRENGTHEN COMPOSITION OF THE BOARD (CONT'D)

### 2.3 Remuneration policies and procedures

#### Remuneration Committee

The members of the Remuneration Committee consist of three (3) Non-Executive Directors and meet as and when required. The composition, terms of reference, duties and responsibilities and other information of the Remuneration Committee are set out on pages 32 and 33 of the Annual Report.

#### Directors' Remuneration

The details of aggregate remuneration of Directors of the Company during the financial year are as follows:

Remuneration	Executive Directors (RM'000)	Non-Executive Directors (RM'000)	Total (RM'000)
Salaries and other emoluments	12	43	55
Fees	72	288	360
Total	84	331	415

The number of directors of the Company whose total remunerations during the year fall within the respective bands are as follows:

Range of remuneration	Number of Executive Directors	Number of Non-Executive Directors
Below RM50,000	1	-
RM50,001 – RM100,000	1	4
Total	2	4

## REINFORCE INDEPENDENCE

### 3.1 Annual Assessment of Independence

The Board recognises the importance of independence and objectivity in the decision-making process. The Independent Directors bring their respective knowledge and experience and provide independent judgement to the Board. The Board is committed in ensuring that Independent Directors are capable and willing to make decisions in the best interests of the Company and the shareholders free from interest or influence and are independent of the Management.

The Independent Directors namely, Dato' Haji Shaharuddin Bin Haji Haron and Mr Toh Seng Thong fulfilled the criteria of "Independence" as prescribed under the Listing Requirements. The key criteria for the appointment of an Independent Director is one who is not a member of the management (a Non-Executive Director) and who is free of any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company. The Board composition complies with the Listing Requirements which requires that at least two (2) Directors or one-third (1/3) of the Board of the Company, whichever is the higher, to be Independent Directors.



# CORPORATE GOVERNANCE STATEMENT (CONT'D)

## REINFORCE INDEPENDENCE (CONT'D)

### 3.2 Tenure of Independent Directors

In line with the MCCG 2012, the tenure of an Independent Director should not exceed a cumulative term of nine years. However, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. In exceptional cases and subject to assessment by the Nomination Committee, the Board may recommend for an Independent Director who has served a consecutive or cumulative term of nine years to remain as an Independent Director subject to shareholders' approval.

### 3.3 Separation of position of the Chairman and Managing Director

There is a clear division of responsibility between the Chairman and the Managing Director to ensure that there is a balance of power and authority. The Chairman leads the Board and facilitates its work. He engages directly with the Managing Director to understand and oversee the strategy implementation and performance delivery. He is responsible for ensuring the processes of the Board are effective in carrying out its duties and responsibilities, including the timely provision of sufficient relevant information on financial and non-financial matters. The Chairman, in conjunction with the Managing Director and Company Secretaries, sets agendas for the meetings of the Board that focus on strategic direction and performance of the Group.

The Managing Director is responsible for the day-to-day management of the Group's operations and business as well as implementation of the Board's policies and decisions.

### 3.4 Board composition and balance

The Board consists of six (6) members; comprising one (1) Senior Independent Director, one (1) Independent Director, two (2) Non-Independent Non-Executive Directors and two (2) Executive Directors of which one (1) is the Managing Director. The composition of the Board reflects a balance of Executive and Non-Executive Directors to ensure that the interest of not only the Group, but also stakeholders and the public in general are represented in all business strategies formulation and adoption.

The qualification and experience of the Directors are set in the Profile of Board of Directors on pages 8 to 10 of the Annual Report. The Board is satisfied with its current composition which comprises the balanced mix of operational skills of the Executive Directors in the wooden furniture manufacturing industry with the professional expertise of the Non-Executive Directors in the fields of manufacturing, auditing and accounting.



# CORPORATE GOVERNANCE STATEMENT (CONT'D)

## FOSTERING COMMITMENT

### 4.1 Time Commitment

The Board meets on a quarterly basis and additionally as required. The general agenda of the meetings includes discussion over minutes of previous meetings, quarterly financial results of the Group and any other issues requiring the Board's deliberation and approval. The agenda for each Board meeting is circulated to all the Directors for their perusal prior to the convening of each meeting to enable Directors to obtain further clarifications/explanations prior to the meeting to ensure smooth proceeding of each meeting. The proceedings and resolutions reached at each Board meeting are minuted and signed by Chairman of the meeting.

Besides Board meetings, the Board exercises control on matters that require Board's deliberation and approval through circulation of Directors' Resolutions.

The Board held five (5) meetings during the financial year.

Record of each Director's meeting attendance during the financial year under review is set out below:

Name	Attendance
Dato' Haji Shaharuddin Bin Haji Haron #	5/5
Mdm Lin Chen, Jui-Fen	5/5
Mr Lin, Chin-Hung	5/5
Mr Lin, Tzu-Lang (Resigned on 28 May 2015)	3/5
Mr Toh Seng Thong #	5/5
Mr Yek Siew Liong # #	5/5
Mr Lin, Cheng-Hung # # (Appointed on 28 May 2015)	N/A

# Denotes Independent Director

# # Denotes Non-Independent Non-Executive Director

Procedures are in place for Directors to seek both independent professional advice at the Company's expense and have access to the Company Secretaries in order to fulfill their duties and specific responsibilities as enumerated in the Board Charter.

The Board members are required to notify the Company prior to their acceptance of new directorships in other companies.

### 4.2 Directors' Training

All the Directors have completed the Mandatory Accreditation Programme ("MAP") conducted by Bursa Malaysia Securities Berhad ("Bursa Securities"). Directors are also advised of developments or changes to relevant laws and regulatory requirements and suitable training and education programmes are identified for their participation from time to time.

Management briefings during Board and Audit Committee meetings on various operational, technical, financial and corporate matters are also aimed at ensuring that Directors are well versed with the knowledge of the Group's business and affairs in enabling them to make meaningful decisions.



# CORPORATE GOVERNANCE STATEMENT (CONT'D)

## FOSTERING COMMITMENT (CONT'D)

### 4.2 Directors' Training (cont'd)

During the financial year under review, the Directors have attended and participated in various training programme which they have individually or collectively considered as relevant and useful in contributing to the effective discharge of their duties as Directors. The training seminars attended by the Directors during the financial year include:

- Corporate Governance Statement Reporting Workshop;
- National Tax Conference 2014;
- Audit Committee Conference 2015;
- ESG Seminar for FTSE4 Good Bursa Malaysia Index;
- CG Breakfast Series with Directors: "Bringing the Best Out in Boardrooms";
- Corporate Governance Breakfast Series - How to Maximise Internal Audit; and
- Advocacy Sessions on Corporate Disclosure for Directors of Listed Issuers.

The Company Secretaries circulated the relevant guidelines on regulatory requirements from time to time for the Board's reference and briefed the Board quarterly on these updates at the Board meetings.

New directors, if any, upon joining the Board, would be briefed on the Company's business and governance matters, amongst others in respect of the duties and responsibilities of Directors, to introduce new Directors to the Group's business, its operations and its governance arrangements.

## UPHOLD INTEGRITY IN FINANCIAL REPORTING

### 5.1 Compliance with applicable financial reporting standards

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial position and prospects via the quarterly announcements of results and the publishing of audited financial statements via the annual report distributed to shareholders yearly.

The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting with particular emphasis on the application of accounting standards, policies and the making of reasonable and prudent estimates and assumptions.

A statement by the Board of its responsibilities for preparing the financial statements is set out on page 34 of the Annual Report.

### 5.2 Assessment of suitability and independence of external auditors

The Board maintains an active, transparent and professional relationship with its external auditors through Audit Committee, which has been conferred with the authority to interface directly with the external auditors of the Group.

The external auditors provide mainly audit-related services to the Company. Due to the strong knowledge of the Company, the external auditors also undertake certain non-audit services such as regulatory reviews and reporting and other services.

A summary of the activities of the Audit Committee during the year is set out in the Audit Committee Report on pages 28 and 29 of the Annual Report.



# CORPORATE GOVERNANCE STATEMENT (CONT'D)

## RECOGNISE AND MANAGE RISKS

### 6.1 Sound framework to manage risks

The Board has ultimate responsibility for reviewing the Company's risks, approving the risk management framework and policy and overseeing the Company's strategic risk management and internal control framework.

The Company has in place an on-going process for identifying, evaluating and managing significant risks that may affect the achievement of the business objectives of the Group. The Board through the Audit Committee and Risk Management Committee reviews the key risks identified on a regular basis to ensure proper management of risks and that measures are taken to mitigate any weaknesses in the control environment.

The key features of the Risk Management Framework are set out in the Statement on Risk Management and Internal Control of the Company on page 23 of the Annual Report.

### 6.2 Internal audit function

The Board has established an internal audit function within the Company, which is led by the out-sourced Internal Auditor, Columbus Advisory Sdn. Bhd. who reports directly to the Audit Committee.

Details of the Company's internal control system and framework as set out in the Statement on Risk Management and Internal Control together with Audit Committee Report of the annual report.

## ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

### 7.1 Corporate Disclosure Policy

#### Information Disclosure

The Board has in place a policy to ensure disclosure of information is in accordance with the disclosure requirements under the Listing Requirements and other applicable laws.

### 7.2 Leverage on information technology for effective dissemination of information

The Company's website incorporates an Investor Relations section which provide all relevant information on the Company and is accessible by the public. This Investor Relations section enhances the Investor Relations function by including Financial Reports, Company's announcements as well as the corporate and governance structure of the Company.

While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, it is also be wary of the legal and regulatory framework governing the release of material and price-sensitive information. The Company takes into account the prevailing legislative restrictions and requirements as well as the investors' needs for timely release of price sensitive information such as financial performance results and statements, material acquisitions, significant corporate proposals as well as other significant corporate events when releasing such information.

Shareholders and other interested parties may contact the Managing Director, to address any concerns by writing or via telephone or facsimile as follows:-

**Address** : Latitude Tree Holdings Berhad  
Lot 3356, Batu 7<sup>3</sup>/<sub>4</sub>, Jalan Kapar,  
42200 Kapar, Selangor Darul Ehsan, Malaysia  
**Tel** : 603-3291 5401  
**Fax** : 603-3291 0048  
**Website** : [www.lattree.com](http://www.lattree.com)



# CORPORATE GOVERNANCE STATEMENT (CONT'D)

## **STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS**

### **8.1 Encourage shareholder participation at general meetings**

The Board fully recognises the rights of shareholders and encourages them to exercise of their rights at the Company's Annual General Meeting ("AGM").

It has also been the Company's practice to send the Notice of the AGM and related papers to shareholders at least twenty-one (21) clear days before the meeting. The date, venue and time of these meetings are determined to provide the maximum opportunity for as many shareholders as possible to attend and participate either in person, by corporate representative or by proxy.

### **8.2 Encourage poll voting**

All resolutions put forth for shareholders' approval at the 20th AGM held on 10 December 2014 were voted by a show of hands.

The Company will give due consideration on the mode of voting on any resolutions at the AGM and/or EGM, including voting by way of a poll, where required.

### **8.3 Communication with Shareholders and Investors**

The AGM is the main forum where dialogue with shareholders can be effectively conducted. Shareholders are given reasonable time to ask questions pertaining to issues in the Annual Report, corporate developments on the business of the Group and resolutions proposed and to vote on all resolutions proposed. Those unable to attend are allowed to appoint proxies to attend and vote on their behalf. During the meeting, the Managing Director and the Executive Directors are prepared to provide responses to queries and to receive feedback from the shareholders.

External auditors are also present to provide their professional and independent clarification on issues of concern raised by the shareholders, if any.

The importance of keeping shareholders informed of developments concerning the Group is high on the agenda.

The shareholders are kept abreast of all important developments concerning the Group through regular and timely dissemination of information via quarterly financial announcements through Bursa Securities' website, distribution of annual report and various other announcements made during the year. These will enable the shareholders, investors and members of public to have an overview of the Group's performance and hence, will enable them to make any informed investment decision in relation to the Group.

The Company's website, [www.lattree.com](http://www.lattree.com), provides an avenue for information, such as dedicated sections on corporate information, including financial information and announcements. The website is continuously updated to ensure that the information contained within is correct.

## **OTHER INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF THE BURSA SECURITIES**

The information set out below is disclosed in compliance with the Listing Requirements of Bursa Securities.

### **9.1 Utilisation of Proceeds**

There was no corporate exercise carried out during the financial year ended 30 June 2015 to raise funds.



# CORPORATE GOVERNANCE STATEMENT (CONT'D)

## OTHER INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF THE BURSA SECURITIES (CONT'D)

### 9.2 Share Buy-Back

The Company had obtained its shareholders' authority at the Company's Annual General Meeting held on 10 December 2014 in respect of the share buy-back of up to 10% of the issued and paid up share capital of the Company.

The Company has not purchased or cancelled any of its own ordinary shares during the financial year ended 30 June 2015.

As at 30 June 2015, there are no shares held as treasury shares.

### 9.3 Options, Warrants or Convertible Securities

There were no other options, warrants or convertible securities exercised in respect of the financial year ended 30 June 2015.

### 9.4 Depository Receipt Programme

The Company had not sponsored Deposit Receipt programme for the financial year ended 30 June 2015.

### 9.5 Sanctions and/or Penalties

The Company and its subsidiaries, Directors and Management had not been imposed with any sanctions and/or penalties.

### 9.6 Non-Audit Fees

The amount of non-audit fees paid and payable to external auditors by the Company and its subsidiaries for the financial year ended 30 June 2015 amounted to RM36,000.

### 9.7 Variation of Results

There were no material variances between the actual results for the financial year ended 30 June 2015 and the unaudited results previously announced by the Company.

### 9.8 Profit Forecast and Guarantee

The Company did not issue any profit forecast and guarantee for the financial year ended 30 June 2015.

### 9.9 Revaluation Policy

There was no revaluation of properties of the Group during the financial year ended 30 June 2015.

### 9.10 Material Contracts Involving Directors and Major Shareholders

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by LTHB and/or its subsidiaries which involve Directors' and major shareholders' interests during the financial year ended 30 June 2015.



# CORPORATE GOVERNANCE STATEMENT (CONT'D)

## OTHER INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF THE BURSA SECURITIES (CONT'D)

### 9.11 Recurrent Related Party Transactions of Revenue Nature

The details of the Recurrent Related Party Transactions ("RRPT") of a revenue and trading nature carried out by the Group during the financial year ended 30 June 2015 are as follows:

Nature of Transaction	Transacting Parties	Interested Parties	Nature of Relationship	Amount Transacted During The Financial Year RM'000
Purchases of raw materials and supplies, laminated boards and furniture components by the LTHB Group from Grob Holz Company Limited ("GHCL")	GHCL and the LTHB Group	Mr. Yek Siew Liong and Konsortium Kontrek Sdn. Bhd. ("KKSB")	GHCL is a 85% owned subsidiary of LTHB. Mr. Yek Siew Liong, a director and substantial shareholder of LTHB holds 15% equity interest in GHCL via KKSB.	8,186

### CONCLUSION

The Board is supportive of all the Recommendations of the Code and will take reasonable steps and also review the existing policies and procedures in place from time to time to ensure full compliance thereof.

The Board is satisfied that the Company has substantially complied with the Principles and Recommendations of the Code.

This Statement is made in accordance with a resolution of the Board dated 27 October 2015.