

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors is committed to the principles of corporate governance as set out in the Malaysian Code on Corporate Governance (“Code”) which was revised on 1 October 2007. Set out below is a statement on how the Company has applied the principles and complied with the best practices laid down in the Code for the year ended 31 December 2008.

1. BOARD OF DIRECTORS

1.1 The Board

The Board leads and controls the Group. The Board is responsible for the overall performance of the Group and focuses on strategies, performance, standards of conduct, financial and major business matters.

The Board has adopted a five year strategic plan for the Group’s Malaysian property division. An organisation performance management system has been established. To align the performance of management with the achievement of the strategic goals, key performance indicators are set annually.

The Board meets at least four times a year, with additional meetings convened when necessary. Due notice is given for the meetings and matters to be dealt with. In the intervals between Board meetings, Board decisions for urgent matters are obtained via circular resolutions to which are attached sufficient information required for an informed decision.

Four meetings were held during the year ended 31 December 2008. The following is a record of the attendance of the Directors:-

| Director | No. of meetings attended |
|------------------------------|--------------------------|
| Mr Lee Seng Huang | 4/4 |
| Mr Chung Tze Hien | 4/4 |
| Mr Law Chin Wat | 3/4 |
| Dato’ Robert Chan Woot Khoon | 4/4 |
| Mr Kong Wah Sang | 4/4 |
| Mr Chew Hoy Ping | 4/4 |
| Dato’ Lim Say Chong | 4/4 |



Norwest continues to pursue its vision to be recognised as a leading property developer achieving the best practice in urban development.

1.2 Board Balance

The responsibilities of the Chairman and the Chief Executive Officer are clearly defined to ensure a proper balance of power and authority. The Chairman is primarily responsible for matters pertaining to the Board while the Chief Executive Officer oversees the day to day operations and implementation of the Board’s policies and decisions.

The Board currently has seven members comprising three Executive Directors and four Non-Executive Directors. Of the four Non-Executive Directors, three are Independent, thereby fulfilling the one-third requirement.

Collectively, the Directors bring a wide range of business and financial experience relevant to the Group. The role of the Independent Directors provides independent judgement, check and balance on the Board. A brief profile of each Director is presented on pages 10 to 11.

Mr Kong Wah Sang has been appointed by the Board as the Independent Non-Executive Director to whom any concern regarding the Company may be conveyed.

1.3 Supply Of Information

All Directors are provided with an agenda and a set of Board papers at least one week prior to a Board meeting to enable the Directors to review and consider the items to be deliberated at the Board meeting. Sufficient time is given for the Directors to request for further explanations and/or information, where necessary.

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The Board papers include, inter alia, the following:-

- (i) quarterly progress report by the Chief Executive Officer;
- (ii) quarterly financial report; and
- (iii) minutes/decisions of meetings of the Committees of the Board.

All Directors have access to the advice and service of the Company Secretary and where necessary, obtain independent professional advice at the Company's expense in the furtherance of their duties.

1.4 Appointments To The Board

The Nomination Committee recommends the appointment of new Directors to the Board. In pursuance of the Continuing Education Programme, the Directors attended seminars and courses during the year to keep abreast of current and regulatory matters.

The Company has in place a familiarisation programme for new Board members, which includes visits to the Group's businesses and meetings with senior management, to facilitate their understanding of the Group.

1.5 Re-election

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to election at the next Annual General Meeting following their appointment. The Articles also provide that at least one third of the remaining Directors be subject to re-election by rotation at each Annual General Meeting provided that all Directors shall retire from office at least once every three years but shall be eligible for re-election.

1.6 Board Committees

The Board has delegated specific responsibilities to the following Committees:-

- (a) Audit Committee
Please refer to the Audit Committee Report on pages 25 to 26.
- (b) Nomination Committee
The Nomination Committee comprises exclusively

of Non-Executive Directors, with Dato' Robert Chan Woot Khoon as Chairman and Mr Kong Wah Sang and Mr Chew Hoy Ping as members.

The main responsibilities of the Nomination Committee are as follows:-

- (i) recommend new nominees to the Board and Board Committees;
- (ii) assist the Board in annually reviewing its required mix of skills, experience and other qualities of the Non-Executive Directors; and
- (iii) assessing the effectiveness of the Board and Board Committees and the contribution of each Director.

The Nomination Committee met once and the meeting was attended by all its members.

(c) Remuneration Committee

The Remuneration Committee comprises mainly Non-Executive Directors, with Mr Kong Wah Sang as Chairman and Dato' Robert Chan Woot Khoon and Mr Chung Tze Hien as members.

The main responsibilities of the Remuneration Committee are to recommend to the Board the following:-

- (i) remuneration package of each Director; and
- (ii) incentive schemes, profit sharing arrangements or the like for management or other employees.

The Remuneration Committee held three meetings which were attended by all its members.



More than a resort getaway, the Bale Equestrian and Country Club in Leisure Farm is well-equipped with facilities for professional training.

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2. DIRECTORS' REMUNERATION

The remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to govern the Group effectively. In the case of Executive Directors, the remuneration is structured to link rewards to corporate and individual performance based on key performance indicators. For Non-Executive Directors, the level of remuneration reflects their experience and level of responsibilities.

The Remuneration Committee recommends to the Board the remuneration (including fees) for each Director of the Company. Fees are subject to the approval of the shareholders.

The details of the Directors' remuneration of the Company for the year ended 31 December 2008 and the analysis into remuneration bands are as follows:-

| | Executive Directors RM'000 | Non-Executive Directors RM'000 |
|------------------|-------------------------------|-----------------------------------|
| Fees | - | 146 |
| Emoluments | 2,195 | - |
| Benefits-in-kind | 67 | - |
| | 2,262 | 146 |

| Range of remuneration (RM) | Number of Directors | |
|----------------------------|---------------------|---------------|
| | Executive | Non-Executive |
| 50,000 and below | | 4 |
| 450,001 - 500,000 | 1 | |
| 600,001 – 650,000 | 1 | |
| 1,150,001 – 1,200,000 | 1 | |

3. SHAREHOLDERS

3.1 Communication Between The Company And Investors

The Board acknowledges the need for shareholders to be informed of all material business matters of the Company. Announcements to Bursa Malaysia are made on significant developments and matters within the Group. Financial results are released on a quarterly basis to provide shareholders with a regular overview of the Group's performance. The Corporate Communications Department of the Company also arranges press interviews and briefings and releases press announcements to provide information on the Group's business activities, performance and major developments.

3.2 Shareholders' Meeting

The Company's practice is to give as much notice as possible to shareholders of its general meetings. In addition, notices of general meetings with sufficient information of business to be dealt with thereat are published in one national newspaper to provide for wider dissemination of such notice to encourage shareholder participation. General meetings represent the principal forum for dialogue and interaction with shareholders. It is the policy of the Board to have all its members present at shareholders' meetings. At such meetings, shareholders have direct access to the Directors and are encouraged to participate in the question and answer session.



Hayman is acknowledged as an Australian tourism icon and leader in resort excellence.

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Norwest provides an inspirational working environment, with its leading edge design buildings and in beautifully landscaped surroundings.



The Hotel School, Sydney develops dedicated professionals who are recognised and highly regarded internationally.

4. ACCOUNTABILITY AND AUDIT

4.1 Financial Reporting

In presenting the annual financial statements and quarterly announcement of results to shareholders, the Board aims to present a balanced and understandable assessment of the Group's position and prospects. The Board considers that in preparing the financial statements and announcements, the Group has used appropriate accounting policies and standards, consistently applied and supported by reasonable and prudent judgements and estimates.

4.2 Internal Control

The Board affirms its overall responsibility for the Group's system of internal controls covering not only financial controls but also controls relating to operational, compliance and risk management. The system, by its nature, can only provide reasonable and not absolute assurance against material misstatement, loss or fraud. Please refer to the Statement on Internal Control on pages 23 to 24.

4.3 Audit Committee

The information on the Audit Committee is presented in the Audit Committee Report on pages 25 to 26.

Through the Audit Committee, the Company has established an appropriate relationship with the Company's auditors, both internal and external. The external auditors attended the Audit Committee's meetings when necessary.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act 1965 to prepare financial statements which are in accordance with applicable approved financial reporting standards and give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cashflows of the Group and Company for the financial year.

In preparing the financial statements, the Directors have:

- ensured that the financial statements are in accordance with the provisions of the Companies Act 1965, the applicable financial reporting standards and the Listing Requirements of Bursa Malaysia;
- adopted the appropriate accounting policies and applied them consistently; and
- made judgements and estimates that are prudent and reasonable.

The Directors are responsible for ensuring that the Group and Company keep proper accounting records which disclose with reasonable accuracy the financial position of the Group and Company and which enable them to ensure that the financial statements comply with the Companies Act 1965.

6. OTHER INFORMATION

6.1 Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving the interests of Directors and major shareholders.

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The composition of the Board Committees and the attendance of members at Board Committee meetings are reflected as follows:-

Composition of Board Committees

| | Board | Audit Committee | Nomination Committee | Remuneration Committee | Risk Management | Tender Committee |
|--|-------|-----------------|----------------------|------------------------|-----------------|------------------|
| Mr Lee Seng Huang Non-Independent Executive Chairman | C | | | | | |
| Mr Chung Tze Hien Non-Independent Executive Director | M | | | M | C | C |
| Mr Law Chin Wat Non-Independent Executive Director | M | | | | M | M |
| Dato' Robert Chan Woot Khoon Non-Independent Non-Executive Director | M | | C | M | | |
| Mr Kong Wah Sang Independent Non-Executive Director | M | M | M | C | | |
| Mr Chew Hoy Ping Independent Non-Executive Director | M | C | M | | | |
| Dato' Lim Say Chong Independent Non-Executive Director | M | M | | | | |

Attendance at Board Committee Meetings

| | Board | Audit Committee | Nomination Committee | Remuneration Committee | Risk Management | Tender Committee |
|--|-------|-----------------|----------------------|------------------------|-----------------|------------------|
| Mr Lee Seng Huang Non-Independent Executive Chairman | 4/4 | | | | | |
| Mr Chung Tze Hien Non-Independent Executive Director | 4/4 | | | 3/3 | 1/1 | 6/6 |
| Mr Law Chin Wat Non-Independent Executive Director | 3/4 | | | | 1/1 | 2/6 |
| Dato' Robert Chan Woot Khoon Non-Independent Non-Executive Director | 4/4 | | 1/1 | 3/3 | | |
| Mr Kong Wah Sang Independent Non-Executive Director | 4/4 | 6/6 | 1/1 | 3/3 | | |
| Mr Chew Hoy Ping Independent Non-Executive Director | 4/4 | 6/6 | 1/1 | | | |
| Dato' Lim Say Chong Independent Non-Executive Director | 4/4 | 6/6 | | | | |

C: Chairman

M: Member