

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0158
COMPANY NAME : SCC HOLDINGS BERHAD
FINANCIAL YEAR : December 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is responsible for the stewardship of the Group and the direction of the management. It is responsible and accountable to the long term sustainable value creation for its stakeholders.</p> <p>The Group has documented clear policies to identify and segregate the functions and responsibilities of the Board and the management, Executive Chairman as well as the Managing Director in ensuring the smooth running of the Group's business operations.</p> <p>Their responsibilities are guided by the Board Charter, which has been reviewed and updated to be in line with the practices of Malaysian Code on Corporate Governance 2021 ("MCCG 2021") and the Companies Act 2016, a copy of which is made available to all Directors of the Company. The Board Charter is disclosed in the SCC CG Report which can be downloaded from SCC corporate website at www.sccholdings.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

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>Mr. Chee Long Sing @ Cher Hwee Seng ("Ben Cher") is the Executive Chairman of the Company. His profile is presented on page 5 of the company's Annual Report.</p> <p>The Chairman is responsible to, amongst others:</p> <ul style="list-style-type: none">i. Ensure that all relevant issues for the effective running of the Company's business are on the agenda;ii. Ensure that clear and quality information to facilitate decision-making is delivered to Board members on a timely basis;iii. Encourage all directors to play an active role in Board activities and facilitate the effective contributions of all members of the Board;iv. Chair general meetings of shareholders;v. Ensure that there is regular and effective evaluation of the Board's performance;vi. Ensure that every Board resolution and questions arising at any Board meeting to be decided by a majority of votes;vii. Ensure the integrity and effectiveness of the governance process of the Board;viii. Act as facilitator at Board meetings to ensure that no Board member, whether Executive or Non-Executive, dominates discussion, that appropriate discussion takes place and that relevant opinion among members is forthcoming and ensure that discussions result in logical and understandable outcomes, andix. Perform other responsibilities assigned by the Board from time to time.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

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	:	<p>The Board recognised the importance of clear division of responsibility between the Chairman and the Managing Director to ensure that there is a balance of power and authority. The roles of the Chairman and Managing Director are strictly separated and held by different individuals.</p> <p>The Chairman's primary responsibility is to ensure the Board's effectiveness and conduct all aspects as stated in Practice 1.2.</p> <p>The Group does not have any Chief Executive Officer. Mr. Cher Lip Chun ("Adam Cher") being the Group Managing Director ("GMD"), has been assuming the role of the Chief Executive Officer and he is responsible for the overall management of day-to-day business operations and the implementation of key business decisions. In addition, he presents relevant business development plans to the Board, motivates employees as well as drives change and innovation within the Group.</p> <p>The roles and responsibilities of the Managing Director are as follows:</p> <ol style="list-style-type: none">i. Oversees the daily management of the Group's operations to ensure a smooth-running and effective business;ii. Develops and implements strategic policies as well as determines the directions of the Group with reference to effective risk management controls;iii. Ensures that the financial management is performed with the highest level of integrity and transparency and that the business and affairs of the Group are carried out in an ethical manner, in compliance with the relevant laws and regulations;iv. Ensures high management competency and that an effective management succession plan is in place for the continuity of operations;v. Directs and controls all aspects of the business operations in a cost effective manner;vi. To be the official spokesman of the Group and responsible for regulatory, governmental and business relationships;vii. Maintains and facilitates a positive working environment and good employee relations;viii. Manages the Group through collective efforts of the Executive Directors and General Manager and leads the Management team in carrying out their roles, duties and functions;

	<p>ix. Attends to queries and concerns related to the Group raised by shareholders, investors, media, relevant authorities and the public; and</p> <p>x. Implements the policies, strategies and decisions adopted by the Board. All the Board authorities conferred on the Management is delegated through GMD. GMD has the authority and accountability over the said delegation as far as the Board is concern.</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

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

<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>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: <p>The Chairman of the Board, Mr. Chee Long Sing @ Cher Hwee Seng is not a member of Audit Committee ("AC") and Nomination Committee ("NC"), but a member of Remuneration Committee ("RC"). Also, the Chairman has been participating in AC and NC, by invitation.</p> <p>The Chairman of the Board, however, does not assume the position of chairman of AC, RC and NC. The Chairman of the committees are:</p> <ul style="list-style-type: none">(a) AC – Mr. Tan Tian Wooi(b) RC - Datuk Wira Dr. Goy Hong Boon(c) NC – Mr. Puar Chin Jong <p>The Chairman of the Board, Mr. Chee Long Sing @ Cher Hwee Seng is a member of RC and has been participating in AC and NC. Through his active participation and extensive board & corporate experience, the discussions and decisions made at these committees have greatly benefitted from his input. It is believed that the Board's objectivity in receiving and assessing committees' reports has not been diminished in any way. Notwithstanding, in acknowledgment of the spirit of this Practice 1.4, the Chairman does not also chair these committees.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	: Choose an item.

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 Board is supported by two (2) suitably qualified and competent Joint Company Secretaries. Both Company Secretaries are qualified to act as Company Secretary under Section 235 of the Companies Act 2016 in that both are Associate Member of the Malaysian Institute of Chartered Secretaries & Administrators. Both also registered with the Companies Commission of Malaysia ("CCM") under Section 241 of the Companies Act 2016 ("CA 2016") and are issued with practicing certificate by the Registrar of Company ("ROC").</p> <p>The Joint Company Secretaries provides the required supports to the Board in carrying out its duties and stewardship roles and plays an advisory role with regard to the Company's constitution, Board's policies and procedures as well as compliance with all regulatory requirements, guidance and legislation.</p> <p>All Directors have full and unrestricted access to the advices and services of the Joint Company Secretaries and may obtain independent professional advices at the Company's expense in order to discharge their duties effectively. The Board is regularly being updated by the Joint Company Secretaries as well as external consultants on new guidelines, directions and new regulatory issues affecting the Group. The Joint Company Secretaries together with the Executive Directors and Accountant (Chief Financial Officer designated pursuant to the ACE Market Listing Requirements) assist the Chairman of the Board and Chairmen of Board Committees to deal with the Board agendas and to provide the relevant information and documents to the directors on a timely basis. The Board is satisfied with the support provided by the Joint Company Secretaries to the Board in discharging its duties.</p> <p>The Board is of the view that the Joint Company Secretaries are competent and have been keeping themselves abreast of the evolving regulatory changes and developments by attending continuous education programs and relevant conferences, seminars and training programs.</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

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 Board hold meetings at least four (4) times a year. An additional meeting to deal with urgent and important matters that require the attention of the Board is to be convened when necessary.</p> <p>A full agenda and relevant Board Papers have been circulated to all Directors at least five (5) days in advance prior to each Board meeting.</p> <p>Board members are required to attend the Board meetings. The attendance of each Director at the meetings held during the financial year is disclosed under Directors' Profile of Annual Report. Other senior officers may be attending the meetings, by invitation, for particular items within their responsibility. The Board may also invite external parties such as the auditors, solicitor and consultants as and when the need arises.</p> <p>The Board Papers include the financial results and progress report on the Group's developments, minutes of the meetings of Board Committees, regulatory/statutory updates and other operational and financial issues for the Board's information and/or approval.</p> <p>All Directors are expected to participate fully and constructively in the Board Meetings and to contribute their knowledge, skills and abilities.</p> <p>Urgent matters that require immediate attention can be dealt with by circulating resolution. A resolution signed and approved by the majority of the Directors shall be valid and effectual as if it had been passed at the meeting of the Directors.</p> <p>Full Board minutes of each Board meeting are kept at the registered office of the Company and are available for inspection by any Director during office hours. The minutes of the meetings shall reflect accurately the deliberations and decisions of the Board, including whether any Director was abstained from voting or deliberating on a particular matter.</p> <p>The Company Secretary will communicate to the relevant management on the Board's decisions/recommendations via circulation of draft minutes of meetings for appropriate actions to be taken. The Company Secretary will also follow up with the Management on status of actions</p>

	taken with reference to the previous minutes of meetings for updating the Board. Action items would stay as matters arising in the minutes of meetings until they are resolved.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The board charter was approved by the Board on 30 April 2018 and published on the company's website. Subsequent amendment to the charter can only be approved by the Board.</p> <p>Besides setting out the roles and responsibilities of the Board, the board charter also outlines the membership guidelines, procedures for Board Meetings, Directors' remuneration, investor relations and shareholder communication.</p> <p>The board charter would be reviewed periodically and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. The board charter is published on the Company's website at www.sccholdings.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Code of Ethics applied to the Board can be found in item 3.1.7 of the board charter which is published on the company’s website at www.sccholdings.com.my.</p> <p>To prevent the abuse of power, corruption, insider trading and money laundering, job segregations and limit of authorities had been determined with separate duties and approvals being delegated to different personnel at different authority limits.</p> <p>The Audit Committee will review the related party transactions on a quarterly basis. All employees are required to declare any relationship with any stakeholders annually to Human Resources Department in order to minimize the risk of conflict of interest.</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>The Board has formalised Whistleblowing Policies and Procedures (“WBPP”) on 30 April 2018 and published it on the Company’s website. The WBPP promotes an environment of integrity and ethical behaviour within the Group and are applicable to all employees of the Group.</p> <p>The Audit Committee (“AC”) Chairman has been identified by the Board as the person to whom all whistle blowing reports may be conveyed. The AC Chairman may delegate the responsibilities for implementing the Whistle Blowing procedures to a guardian/ custodian of the Whistle Blowing procedure within the Company.</p> <p>The details of the Whistleblowing Policy are available for reference at the Company’s website at www.sccholdings.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The 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 together with Management takes responsibility for the governance of sustainability in the Company including setting the Company's sustainability strategies, priorities and targets. Performance against these targets is communicated to the Company's internal and external stakeholders.</p> <p>In line with the recommendation of the Malaysian Code of Corporate Governance ("MCCG"), the Board takes into consideration the Company's performance in managing material sustainability risks and opportunities when determining the appropriate level of remuneration for Directors and Senior 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

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>As a Group, the well-being of customers, employees and other stakeholders as well as the environment is crucial in sustaining the Group’s long term performance. The Board factors in these sustainability considerations and ensures that the Company’s strategies, priorities and targets are communicated to internal and external stakeholders. As such, the Company incorporates Economic, Environment and Social (“EES”) risks and opportunities into the business decisions, given their heightened materiality in decision-making considerations of stakeholders.</p> <p>The description of SCC Group’s sustainability agenda is spelled out in its Sustainability Statement which can be found in Annual Report 2023.</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 Company’s sustainability agenda aims to make the Company more resilient to disruptions, flexible to change and accountable to the “triple bottom line” (TBL) of Economic, Environment and Social (“EES”). The Company views sustainability as an ongoing and rewarding journey which the Company is committed to continuously engage in and undertake.</p> <p>During the year under review, the Managing Director has attended and participated in program that covered the areas of sustainability.</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	:	Applied	
Explanation on application of the practice	:	The Board of Directors was formally assessed with regards to material sustainability risks and opportunities. The questionnaire specifically modality deployed through a peer evaluation provided extensive coverage on the sustainability areas.	
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 4.5- 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	:	The Nomination Committee assessed the performance of the Directors standing for re-election at the Company's 23rd Annual General Meeting via the Board Evaluation ("BE"). Amongst others, the BE assessed the Directors' competencies, commitment, contribution, performance, independence and their ability to act in the best interest of the company as a whole.
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 5.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>During FY2023, the Board has seven (7) members, comprising:</p> <ul style="list-style-type: none"> a) One (1) Executive Chairman; b) One (1) Managing Director; c) One (1) Deputy Managing Director; d) One (1) Non-Independent and Non-Executive Director; and e) Three (3) Independent Non-Executive Directors. <p>Less than half of the Board are Independent Directors.</p> <p>However, the present composition of the Board meets the requirements of Rule 15.02(1) of the AMLR whereby at least 2 Directors or 1/3 of the Board of a listed issuer, whichever is the higher, are Independent Non-Executive Directors.</p> <p>All the Board Committee comprise majority of Independent Non-Executive Directors.</p> <p>Based on the annual Board’s performance evaluation performed for the financial year under review, the independence assessment of Independent Non-Executive Directors was carried out through the review by the NC and the results are reported to the Board for review and concurrence.</p> <p>The Board is of opinion that all independent Non-Executive Directors remain objective and independent in participating in the deliberations and decision making of the Board and Board Committees.</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 5.3

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	:	None of the Independent Non-executive Directors served more than 9 years during FYE2023	
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 Board acknowledges the significance of fostering diversity by ensuring the Board and Senior Management encompasses a mix of skills, professional experiences, age, gender, cultural backgrounds and ethnicities.</p> <p>The NC is responsible to assess and recommend to the Board on the suitable candidates for appointment as Directors of the Company. Guided by the Directors' Fits and Proper Policy, the NC shall assess the candidate with the following criteria: -</p> <ul style="list-style-type: none">• Character and integrity including probity, personal integrity, financial integrity and reputation;• Experience and competence including qualifications, trainings, skills, expertise and experience and past performance or track record; and• Time and commitment including ability to discharge role having regard to other commitments and participation and contribution in the Board. <p>On 2 November 2023, the NC has prepared and conducted an annual evaluation on the performance, skill and experience of the Board and Board Committees as well as the commitment, skills and contributions of each individual Director. The NC will ensure that the Board members have diverse backgrounds and experiences in various fields. Collectively, the Directors bring a wide range of skills, expertise, experience and knowledge to manage the Group's businesses.</p> <p>The Directors' Fit and Proper Policy is made available on the Company's website at https://www.insage.com.my/ir/cmn/CorpGov_Cmn.aspx?Symbol=0158</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	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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>The Company practices a formal and transparent procedure for the appointment of its new directors.</p> <p>The Board delegates to the Nomination Committee (“NC”) the responsibility to establish a formal and transparent procedure for the nomination and appointment of new Directors to the Board. Such responsibilities include screening, conducting initial selection of internal and external candidates, performing requisite evaluation and assessment on candidates’ ability to discharge their duties effectively and efficiently. The NC also ensures candidates possess the appropriate skills, core competencies, experience and integrity to effectively discharge their role as directors and are able to meet the demands of the ever changing landscape of the industry.</p> <p>Furthermore, the Board continues to build a database of potential candidates collated from various independent sources as well as other sources like industry acquaintance.</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>Through the Board Evaluation (“BE”), the Nomination Committee (“NC”) had assessed the directors’ eligibility for re-election and appointment by considering their competencies, commitment, contribution and their ability to act in the best interest of the Company.</p> <p>The Board at its meeting held on 5 April 2023 endorsed the recommendation of the NC for the following directors to be considered for re-election pursuant to the following relevant Clause of SCC Group’s Constitution at its 23rd AGM.</p> <p><u>Clause 165</u></p> <p>(i) Datuk Wira Dr. Goy Hong Boon (ii) Mr. Tan Tian Wooi</p> <p>The candidates also declared as follows:</p> <p>(a) No conflict of interest with SCC Holdings Berhad (b) No conviction of offences within the past 5 years other than traffic offences, if any.</p> <p>Does not hold more than five directorships in listed issues.</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	:	<p>The Nominating Committee (“NC”) is chaired by Independent Non-Executive Director. The members of the NC are as follows:</p> <p><u>Chairman</u> Puar Chin Jong (Independent Non-Executive Director)</p> <p><u>Members</u> Datuk Wira Dr. Goy Hong Boon (Independent Non-Executive Director) Tan Tian Wooi (Independent Non-Executive Director) Lew Yen Peng (Independent Non-Executive Director)</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 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board believes that competency and skills are more important than gender diversity.	
		The Board will consider the appointment of female director when a right candidate is identified.	
		A female Independent Non-executive Director had been appointed to the Board during FYE2023.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board acknowledges the importance of board diversity, including gender diversity, to the effective functioning of the Board. Nevertheless, the Group is an equal opportunity employer and all appointments and employments are based on merits and not driven by a racial or gender bias.	
		The Board believes that the Company's existing processes have served the purpose of a formal policy on diversity. The members of the Board with their combined business, management and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives on the Group's business and direction. In consideration of the scope and nature of the operations of the Group, the Board is satisfied that the current composition mix and size of the Board provide for sufficient diversity and allow for informed and constructive discussion as well as effective decision making at meetings of the Board and Board Committees.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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	: The Nomination Committee (“NC”) is delegated for evaluating the effectiveness of the Board, Board Committees and performance of each individual director. Committee members are to complete separate questionnaires in relation to the process of the Board and its Committees, their effectiveness and suggested improvements. The evaluation process also involves peer and self-review assessments, where directors would assess their own performance and that of their fellow directors. These assessment and comments will then be discussed among the NC members and the collective conclusion is to be reported to the Board.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

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

Practice 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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The long-standing practice in determining executive directors and senior management's remuneration is based on the Chairman's recommendation and performance bonus payments associated with company and individual performance. The Chairman has in-depth knowledge of the demands, complexities and performance of the directors and senior management.</p> <p>Fees for non-executive directors are determined on a yearly basis and all the directors agreed that these are aligned with market practice.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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	:	The Remuneration Committee ("RC") comprises four (4) members. Their authority and duties as well as functions are clearly defined in the Terms of Reference of the RC, which is accessible on the Company's corporate website at www.sccholdings.com.my .
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 each individual Director's remuneration comprising fees, salary, bonuses, allowances, Employees Provident Fund and Social Security Contribution for FYE2023 are disclosed on named basis under the Corporate Governance Overview Statement's Principle A (Board Leadership and Effectiveness of the Annual Report 2023).

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	CHEE LONG SING @ CHER HWEE SENG	Executive Director	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	360	30	11	1	402
2	CHER SEW SENG	Executive Director	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	435	35	11	29	500
3	CHER LIP CHUN	Executive Director	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	405	35	11	63	504
4	LEW YEN PENG	Independent Non-Executive Director	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	Input info here	Input info here	Input info here	Input info here	14
5	DATO' ISMAIL BIN HAMZAH	Independent Non-Executive Director	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	Input info here	Input info here	1	Input info here	11
6	DATUK WIRA DR. GOY HONG BOON	Non-Executive Non-Independent Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	24	Input info here	Input info here	Input info here	2	Input info here	26
7	TAN TIAN WOOL	Independent Non-Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	24	Input info here	Input info here	Input info here	1	Input info here	25
8	PUAR CHIN JONG	Independent Non-Executive Director	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	Input info here	Input info here	Input info here	Input info here	14
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	:	Not applicable - all members of senior management are members of the board	
Explanation on application of the practice	:	Instruction – Please disclose the required information in the table below. Sole reference to the annual report, without disclosing the required information in the table provided is not allowed.	
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	:		

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	:	Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	CHEE LONG SING @ CHER HWEE SENG	Executive Director	360	Input info here	30	11	1	402
2	CHER SEW SENG	Executive Director	435	Input info here	35	11	29	500
3	CHER LIP CHUN	Executive Director	405	Input info here	35	11	63	504
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 Chairman of the Audit Committee is Mr. Tan Tian Wooi, an Independent Non-Executive Director and is not the Chairman of the Board. This ensures that the Board is able to objectively review the audit and risk findings and recommendations.</p> <p>The profile of Mr. Tan Tian Wooi is available on page 6 of the Annual Report 2023.</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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Audit Committee (“AC”) has yet to revise its Terms of Reference to include a clause on a minimum cooling-off period of three (3) years before a former key audit partner can be appointed as a member of the Audit Committee.	
		The AC expects to formulate a policy and revise its Terms of Reference to include the said clause in three (3) years’ time.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Audit Committee ("AC") has yet to formulate policies and procedures to assess the suitability, objectivity and independence of the external auditor.	
		The AC expects to formulate policies and procedures to assess the suitability, objectivity and independence of the external auditor in three (3) years' time.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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	:	Not Adopted
Explanation on adoption of the practice	:	The Audit Committee of the Group comprises the following members: <u>Chairman</u> Tan Tian Wooi (Independent Non-Executive Director) <u>Members</u> Datuk Wira Dr. Goy Hong Boon (Non-Independent Non-Executive Director) Puar Chin Jong (Independent Non-Executive Director) Lew Yen Peng (Independent Non-Executive Director)

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	:	<p>Audit Committee members possess a wide range of necessary skill as recommended by MCCG. The AC members' profile is disclosed in Directors' Profile of the Annual Report 2023.</p> <p>Audit Committee members acknowledged the need for continuous education trainings. For the year under review, the trainings attended by the members of AC are as follows:</p> <table border="1"> <thead> <tr> <th>Director</th> <th>Trainings/ Seminars Attended</th> </tr> </thead> <tbody> <tr> <td>Tan Tian Wooi</td> <td>• ESG Reporting: A key to Value Creation Today</td> </tr> <tr> <td>Datuk Wira Dr. Goy Hong Boon</td> <td>• Invest Smart Fest 2023</td> </tr> <tr> <td>Puar Chin Jong</td> <td>• Mandatory Accreditation Programme (MAP) Part 1</td> </tr> <tr> <td>Lew Yen Peng</td> <td>• Mandatory Accreditation Programme (MAP) Part 1</td> </tr> </tbody> </table>		Director	Trainings/ Seminars Attended	Tan Tian Wooi	• ESG Reporting: A key to Value Creation Today	Datuk Wira Dr. Goy Hong Boon	• Invest Smart Fest 2023	Puar Chin Jong	• Mandatory Accreditation Programme (MAP) Part 1	Lew Yen Peng	• Mandatory Accreditation Programme (MAP) Part 1
Director	Trainings/ Seminars Attended												
Tan Tian Wooi	• ESG Reporting: A key to Value Creation Today												
Datuk Wira Dr. Goy Hong Boon	• Invest Smart Fest 2023												
Puar Chin Jong	• Mandatory Accreditation Programme (MAP) Part 1												
Lew Yen Peng	• Mandatory Accreditation Programme (MAP) Part 1												
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 Company has a risk management framework and internal control systems in place to ensure the smooth running of the business with the aim to manage the risks and control of the Company's business and financial affairs economically, efficiently and effectively to be able to seize profitable business opportunities in a disciplined way while avoiding or mitigating risks that could cause loss, reputational damage or business failure.</p> <p>The Board has disclosed the main features of the risk management framework and internal control system in Annual Report 2023.</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	:	The key features of the Company’s risk management and internal control framework, which cover their adequacy and effectiveness are disclosed under the Statement of Risk Management and Internal Control in Annual Report 2023.	
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	:	<p>The internal audit function is outsourced to CGRM Infocomm Sdn. Bhd. ("CGRM"), an independent professional that is a corporate service member of the Institute of Internal Auditors ("IIA") Malaysia. The director-in-charge of the engagement, in her capacity as the head of the internal audit function, is also an individual member of the IIA.</p> <p>On annual basis, CGRM provided the Board with a signed declaration of competency and the list of training attended by the audit engagement team. During 2023, two (2) internal audit reviews were performed with reference to the Internal Standards for Professional Practice of Internal Auditing with reports prepared and presented to the AC and subsequently, the AC Chairman briefed the reports to the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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>The internal audit function is outsourced to an independent internal audit professional services firm.</p> <p>The engagement team comprised of one (1) engagement director, one (1) quality control reviewer and two (2) internal auditors.</p> <p>The engagement director holds the Certified Internal Audit designation and is a Chartered Member of the Institute of Internal Auditors, USA.</p> <p>The internal audit fieldwork and reporting were carried out with reference to the International Professional Practice Framework for Internal Audit; International Standards for the Professional Practices of Internal Auditing; the IIA Code of Ethics and the COSO Framework for Internal Controls.</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	:	Annual General Meeting has been conducted annually to enable face-to-face communication with the Board and management team. Stakeholders are encouraged to post their questions during the general meeting. Also, an Investor Relation ("IR") section is featured on the Company's corporate website with latest announcements, annual and quarterly reports, share prices, IR contact and further links for corporate information, shares information, financial information and entitlements posted from time to time.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
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 12.2

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	:	On 27 April 2023, the Company had despatched the notice of its 23rd Annual General Meeting (“AGM”) to shareholders, at least 28 days prior to the meeting which was held on 26 May 2023. The additional time given to shareholders is to allow them to make the necessary arrangements to attend and participate in person or through corporate representatives, proxies or attorneys. More importantly, it enables the shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the general meeting.	
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>All the Directors and the Chairpersons of AC, NC and RC including the Management, Company Secretary and External Auditors, attended the 23rd AGM held on 26 May 2023 and responded to the shareholders' and proxies enquiries.</p> <p>During the 23rd AGM, the Board encouraged participation from the shareholders by having a questions-and-answer (Q&A) session.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The 23 rd AGM was held physically at The Pearl Kuala Lumpur, Batu 5, Jalan Klang Lama, 58000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on 26 May 2023. All shareholders and proxies who are attending and participating in the 23 rd AGM were able to pose questions and vote accordingly.	
	:		
<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 13.4

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	: The Chairman of the Company has always been cognizant of the importance in ensuring the AGM supports meaningful engagement between the Board, Management and shareholders. At the 23 rd AGM, the Chairman encouraged the participation of shareholders and proxies through Q&A session. The shareholders were opportunity to email their questions to the Board of Directors of the Company prior to the 23 rd AGM as well. The outcome of the 23 rd AGM was announced to Bursa Securities on the same day after the conclusion of the 23 rd AGM.
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 :	Not applicable – only physical general meetings were conducted in the financial year
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 13.6

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	: Applied
Explanation on application of the practice	: The Company was in compliance with this practice as the minutes of the 23 rd Annual General Meeting (“AGM”) was published on the Company’s website within 30 business days from the conclusion of the 23 rd AGM
Explanation for departure	: Please provide an explanation for the departure.
	: Please provide an alternative practice and explain how the alternative practice meets the intended outcome.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	: Choose an item.

**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.

Click or tap here to enter text.

