CORPORATE GOVERNANCE REPORT

STOCK CODE **:** 0045
COMPANY NAME **:** SOUTHERN SCORE BUILDERS BERHAD
FINANCIAL YEAR **:** June 30, 2024

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	:	The Board also has a crucial role in establishing a proper ethical framework within the organisation. It is entrusted with the task of effectively and ethically leading and managing the Group. Each Director is legally obligated to act in the Group's best interests, ultimately aiming to enhance shareholders' value. The directors, both collectively and individually, are fully aware of their responsibilities towards stakeholders in managing the Group's affairs The corporate governance of the Group comprises a framework of structures, policies and procedures. The Board is supported by two (2) Board committees i.e. the Audit and Risk Management Committee ("ARMC") and the Nomination and Remuneration Committee ("NRC"). These committees are actively involved and serve as oversight bodies. They assess and make recommendations on matters falling within their respective areas of responsibility for the Board's consideration and approval. The Board is also kept informed by the respective Chairman of these committees about the discussions and deliberations that occur during their meetings. The Board conveys its directives to the Management through the Managing Director ("MD"), who is responsible for implementing these directives. Management, in turn, is accountable for the day-to-day administration of the Group, operating within the powers delegated by the Board and in compliance with applicable laws and regulations. The Board reserves full decision-making powers on the following matters: (i) Conflicts of interests relating to a substantial shareholder or a Director; (ii) Material acquisitions and disposal of assets not in the ordinary

	course of business; (iii) Investment in capital projects; (iv) Authority levels; (v) Treasury policies and bank mandate; (vi) Risk management policies; and (vii) Key human resource issues.	
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 1.2

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

Application :	Applied	
Explanation on application of the practice :	The Chairman of the Board, Dato' Haji Mohd Amran Bin Wahid, is a Non-Independent Non-Executive Chairman who leads the Board by setting the tone at the top and manages the Board's effectiveness by focusing on governance and compliance and acts as a facilitator at Board meetings to ensure that contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates the discussion. He further seeks to secure the provision of accurate, timely and clear information to the Board. During Board meetings, the Chairman fosters a collaborative environment and ensures that every Director has the opportunity to contribute to the discussions and debates, promoting a balanced and inclusive decision-making process. In line with the recommendation of the Malaysian Code on Corporate Governance (the “Code”), the Chairman is not a member of any of the Board Committees. This is to ensure check and balance as well as the objectivity will not be influenced by the Chairman of the Board who also sits on Board Committee(s).	
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 1.3

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

Application :	Applied	
Explanation on application of the practice :	The Chairmanship is held by Dato' Haji Mohd Amran Bin Wahid and the MD role is assumed by Tan Sri Datuk Seri Gan Yu Chai. There is also a clear distinction of responsibilities between the Chairman and the MD to maintain a balance of authority and accountability. This is clearly defined in the Company's Board Charter. The Chairman provides overall leadership to the Board and is primarily responsible for the orderly conduct and function of the Board to ensure that contributions by Directors are forthcoming on matters being deliberated and that no Board member dominates the discussion. The MD is principally responsible for implementing and executing corporate strategies, policies and decisions adopted by the Board and overseeing the overall business operations.	
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 1.4

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

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'.		
Application :	Applied	
Explanation on application of the practice :	The Chairman, Dato' Haji Mohd Amran Bin Wahid is not a member of the ARMC nor the NRC.	
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 1.5

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.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">The Board is supported by qualified company secretaries whom are members of the Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”). The Board has unrestricted access to the services of the Company Secretaries. The Company Secretaries assist the Board in corporate governance and compliance matters including:-

a. Assist in preparation of the agenda for Board and Board Committee Meetings in consultation with the Chairman and Executive Management;
b. Provide advice on areas that need to be addressed to comply with the Code;
c. Provide updates on changes in regulatory requirements governing the Company; and
d. Assist the Board in compliance with disclosure requirements in accordance with ACE Market Listing Requirements (“AMLR”) and the Companies Act 2016.

The Company Secretaries ensure that all Board and Board Committee meetings are properly convened and that accurate and proper records of the deliberations, proceedings and resolutions passed are recorded and statutory registers are properly maintained at the registered office of the Company. The Board is kept regularly informed about the latest developments concerning the AMLR, directives, and circulars from Bursa Malaysia Securities Berhad (“Bursa Securities”) and other legal and regulatory developments.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3"><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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	:	The Board is given the meetings schedule a year ahead at the start of each calendar year so that the Directors could plan ahead to allocate time for their attendance of such meetings. Notice of meetings set out the agenda and accompanied by the relevant meeting materials are given to the Directors in advance within a reasonable period to enable the Directors to review, seek additional information or clarification of the subject matters to be deliberated at the Board and Board Committee meetings. The Board ordinarily schedules to meet quarterly with additional meetings to be convened when urgent and significant decisions need to be made outside of the regular schedule. To assist Directors in managing their time effectively, an annual meeting calendar is prepared and distributed prior to the start of each year. There is a procedure in place for timely dissemination of Board and Board Committee papers as well as minutes of meeting to all Directors within a reasonable period prior to the Board and Board Committee meetings, to facilitate decision making by the Board and to deal with matters arising from such meetings. Management may be invited to participate in meetings to provide insights and information related to their areas of responsibility. In addition to Management, the Board retains the flexibility to invite external parties, including external auditors, internal auditors, solicitors and consultants, as deemed necessary based on specific circumstances and needs. When necessary, Board members have the right to seek independent professional advice at the Company's expense, especially on matters concerning the Group or their duties as Directors.
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

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

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

Practice 2.1

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

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

Application :	Applied	
Explanation on application of the practice :	The Board Charter serves as a comprehensive document outlining the fundamental values, principles and overall culture of the Company. It delineates policies and clearly defines the roles of various entities, including the Board, the Chairman, MD, Chief Executive Officer, Independent Directors, Board Committees, and individual Directors. This Charter offers structured guidance and sets ethical standards for both Directors and Management, guiding them in fulfilling their responsibilities to the Company. Additionally, it outlines the operational practices of the Board. The Charter undergoes periodic review, with necessary adjustments made to ensure alignment with the Board's objectives, prevailing laws, and best practices. The Board Charter was last reviewed on 29 October 2024. The Board Charter is accessible to the public on the Company's website at www.southernscore.com.my.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	The Code of Conduct and Ethics encompasses all aspects of the Group's daily business operations. It establishes the expectations for Directors and employees in terms of behaviour and conduct, emphasising honesty and integrity in interactions with both employees and stakeholders. All Directors and employees are expected to exercise care and diligence in safeguarding confidential and price-sensitive information related to the Company and its business associates, preventing any misuse for personal gain. To ensure compliance on dealings in the Company's securities, the Directors and Principal Officers are notified on a quarterly basis or when necessary on the prohibition/restriction on dealings unless an intention to deal in writing is given to the Company in accordance with the AMLR. The Code of Conduct and Ethics was last reviewed on 29 October 2024. The Code of Conduct and Ethics are accessible to the public on the Company's website at www.southernscore.com.my.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	

Timeframe :		

Intended Outcome

The 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 :	The Whistleblowing Policy serves as a comprehensive guide for employees on how to report legitimate concerns regarding potential improprieties. These concerns may pertain to financial reporting, compliance issues, corruption, and other questionable practices. The policy emphasises the importance of reporting these concerns promptly and through the appropriate channels. This policy provides detailed procedures on when, how, and to whom such concerns should be raised, ensuring that they are addressed effectively and in a manner that safeguards the whistle-blower. This policy is available on the Company's website at www.southernscore.com.my. The ARMC conducts periodical reviews of this Policy and is committed to conduct the review at least once every three years to assess the performance, efficiency and effectiveness of this Policy. The reviews should also investigate whether this Policy has been appropriately implemented and enforced. The outcome of the review shall be a guidance for future improvements. The Whistleblowing Policy was last reviewed on 29 October 2024.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

The 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 :	The Board together with the Management takes responsibility for the governance of sustainability in the Company, including setting the Company's sustainability strategies, priorities and targets. All information regarding the Group's sustainability-related matters, including key initiatives and activities, are disclosed in the Sustainability Statement of the 2024 Annual Report.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

The 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 :	The Company's sustainability strategies are disclosed under the Sustainability Statement in the 2024 Annual Report and are communicated to its internal and external stakeholders through various communication channels. The Board leads the Group's sustainability efforts by setting the direction and overseeing all Environmental, social, and governance ("ESG") matters. The Senior Management supports the Board in developing and implementing the Group's sustainability strategies. The respective Head of Departments will manage the day-to-day execution, tracking the progress and providing regular reports on sustainability initiatives within their respective areas.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
The 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	:	In order to ensure the Board is kept abreast on the sustainability issues which are relevant to the Company's business and operations, the Board, from time to time are encouraged to attend seminar/training programmes which are conducted either internally or externally to gather more insights in relation to sustainability risks and opportunities. In addition, the Board will be updated on the Sustainability and Environmental, Social and Governance matters through reports or updates on governance to ensure the Board is kept abreast on the latest developments and trends.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

The 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 and Senior Management play an important role in addressing material sustainability risks and opportunities. The yearly performance evaluations of the Board not only focus on financial performance but also include other non-financial performance including sustainability.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

The 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 NRC is responsible to recommend candidates to the Board to fill vacancies arising from resignation, retirement or other reasons or if there is a need to appoint additional Directors with the required skills or profession to the Board to meet any competency gaps identified by the NRC. The potential candidates may be proposed by existing Directors, Senior Management, shareholders or third-party referrals. Upon receipt of the proposal, the NRC is responsible to conduct an assessment and evaluation on the proposed candidates. The assessment and evaluation on the proposed candidates and the re-election of retiring Directors include, among others:- (a) the composition requirements for the Board and Board Committees; (b) the candidate's age, education background, experience, skills, knowledge, expertise, integrity, any potential conflict of interest and other qualities which are relevant for the Board to discharge his or her responsibilities in an effective and competent manner; (c) the candidate's independence (for the appointment/ re-election of Independent and Non-Executive Director); (d) the candidate's ability to allocate time and commitment to attend to the Group's affairs; and (e) the annual assessment, including fit and proper assessment of the candidate (for the re-election of retiring Director).	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.2

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 :	During the financial year ended 30 June 2024, the Board comprised one (1) Non-Independent Non-Executive Chairman, one (1) Non-Independent Non-Executive Director, two (2) Independent Non-Executive Directors and three (3) Executive Directors. The Independent Directors represented 28.57% of the Board composition. The Board is of the view that the current Board composition provides appropriate balance in terms of skills, knowledge and industry experience to lead and oversee the Group. The presence of Independent Non-Executive Directors of the Company provides check and balance on the Board as they are able to provide unbiased and independent views by taking into account the interests of the Group and minority shareholders, challenge management proposals constructively and review management performance in meeting agreed objectives and targets. All Independent Non-Executive Directors meet the criteria for independence as prescribed under the Listing Requirements of Bursa Securities and no politician is appointed to the Board of the Company as at the date of this report. The NRC and the Board have upon their assessment for the financial year under review, concluded that the Independent Non-Executive Directors have been independent in their judgment and decisions.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.3

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 :	Consistent with the guidelines established by the Malaysian Code on Corporate Governance and the Board Charter, the tenure of an Independent Non-Executive Director should not exceed a cumulative term of nine (9) years. Once this nine-year period is reached, an Independent Director may continue to serve on the Board. However, the Board is required to provide justification, and subject to obtaining approval from shareholders, it may retain an Independent Non-Executive Director who has served for nine years or more. As of the date of this statement, none of the Independent Non-Executive Directors has completed nine (9) years of service since their appointment.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.4 - 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.

<table>
<tr><td>Application</td><td>:</td><td>Applied</td></tr>
<tr><td>Explanation on application of the practice</td><td>:</td><td>
<p>The Board recognizes the value of a diverse and inclusive composition, believing that it harnesses the unique strengths of its members to effectively steer the company and maintain its competitive edge. To ensure this, the Board, through its NRC, conducts an annual review of its size and composition. This evaluation aims to confirm that the Board possesses the appropriate size, diversity, and independence to align with the Company's objectives and strategic goals.</p>
<p>The Directors bring a wealth of diverse knowledge, skills, and competencies to the Board, enabling them to make active, informed, and positive contributions to the Group's management, business operations, and strategic development. The appointments of both the Board and Senior Management are based on objective criteria, merit, and a commitment to diversity, encompassing skills, experience, age, cultural and socio-economic backgrounds, and gender.</p>
<p>Currently, the composition of the Board is stated as follows:-</p>
<table>
<tr><th>Current Board Composition</th><th>No. of Directors</th><th>%</th></tr>
<tr><td>Non-Independent</td><td>5</td><td>71.43</td></tr>
<tr><td>Independent</td><td>2</td><td>28.57</td></tr>
<tr><td>Total</td><td>7</td><td>100</td></tr>
</table>
<p>The diversity in race / ethnicity, age and gender of the Board as at 30 June 2024 is as follows: -</p>
<table>
<tr><th rowspan="2"></th><th colspan="2">Race/Ethnicity</th><th colspan="4">Age Group</th><th colspan="2">Gender</th></tr>
<tr><th>Malay</th><th>Chinese</th><th><40</th><th>41-50</th><th>51-60</th><th>>60</th><th>Male</th><th>Female</th></tr>
<tr><td>No. of Directors</td><td>1</td><td>6</td><td>1</td><td>-</td><td>5</td><td>1</td><td>5</td><td>2</td></tr>
</table>
<p>A brief profile of each Director is presented on pages 8 to 14 of the Annual Report 2024.</p>
</td></tr>
</table>

<table>
<tr><td></td><td colspan="2">The members of the Senior Management currently consist of 2 males and 2 females. The Senior Management team is equipped with diverse skills, expertise and industry experience to lead the business direction of the respective business segments of the business areas within their purview.

Please refer to page 56 of the Annual Report for the details on the attendance of the Directors at the Board meetings.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3"><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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	:	The NRC is responsible to recommend candidates to the Board to fill vacancies arising from resignation, retirement or other reasons or if there is a need to appoint additional Directors with the required skills or profession to the Board to meet any competency gaps identified by the NRC. The NRC keeps the Board's balance of skills, knowledge, experience and the length of service of each board member under constant review. The NRC may use independent sources in identifying suitably qualified candidates should there be a need to appoint additional or new director(s). The NC will conduct proper screening and selection of candidates prior to the appointment of any new director.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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	:	Pursuant to the Company's Constitution, one-third (1/3) of the Board is subject to retirement by rotation at each Annual General Meeting ("AGM") provided always that each Director shall retire at least once in every three (3) years and the retiring Director shall be eligible for re-election. Further, a retiring Director shall retain office until the conclusion of the AGM at which he retires. The information of directors retiring during the financial year under Clause 118 of the Company's Constitution such as their personal profile, record of attendance of meetings and the shareholdings (if applicable) are disclosed in the Annual Report. During the financial year 2024, the assessment relating to the re-election of directors was reviewed by the NRC and recommended to the Board for approval. Based on the results of the evaluation conducted on their fitness and propriety in line with the Fit and Proper Policy, conflict of interest or potential conflict of interest, performance and calibre and the annual assessment and evaluation of the Board for the financial year ended 30 June 2024, the Board had recommended the re-election of directors pursuant to Clause 118 of the Company's Constitution to the shareholders for approval at the 21st AGM.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

<table>
<tr><td>Application</td><td>:</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice</td><td>:</td><td colspan="2">The NRC comprises exclusively of Non-Executive Directors, with the majority of members being Independent Directors. The current NRC members are as follows: -
<table><tr><td>Name</td><td>Directorship</td></tr><tr><td colspan="2">Chairperson:</td></tr><tr><td>Too Siew Mooi</td><td>Independent Non-Executive Directors</td></tr><tr><td colspan="2">Members:</td></tr><tr><td>Phe Kheng Peng</td><td>Independent Non-Executive Directors</td></tr><tr><td>Chai Tham Poh</td><td>Non-Independent Non-Executive Directors</td></tr></table>
The NRC Terms of Reference (“TOR”) was last reviewed on 29 October 2024 and is available on the Company’s website www.southernscore.com.my</td></tr>
<tr><td rowspan="2">Explanation for departure</td><td rowspan="2">:</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="4"><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></td></tr>
<tr><td>Measure</td><td>:</td><td colspan="2"></td></tr>
<tr><td>Timeframe</td><td>:</td><td></td><td></td></tr>
</table>

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 has two (2) female representatives, namely Ms Phe Kheng Peng and Ms Too Siew Mooi, representing 28.57% of the total Board members. Although the Company has not reached the 30% women representation target, the Company satisfied the requirement of Rule 15.02(1)(b) of the AMLR to have at least one (1) female director. While the Board acknowledges the importance of promoting gender diversity and aims to increase female representation in the Board in the future, it has chosen not to establish specific targets. The focus remains on having the right mix of skills and competencies rather than merely percentages. An ongoing focus on Board composition allows the NRC to maintain a well-balanced blend of fresh insights from recently appointed Directors. With a moderately sized Board, it incorporates a mix of entrepreneurship, business acumen, and professional expertise across various domains, including business and risk management, finance (including audit, tax, accounting and legal), and the technical aspects relevant to the Group's industries. The collective business, management, and professional experience, along with knowledge and expertise, possessed by Board members, provides the essential competencies necessary for diverse and objective perspectives on the Group's business and strategic direction.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application :	Applied	
Explanation on application of the practice :	The Company has in place a Board Diversity Policy which outlines its approach to achieving and maintaining diversity (including gender diversity) on its Board of Directors. The Company recognises the importance of promoting diversity at all levels of its workforce. The Company is committed to manage diversity and promote inclusiveness as a means of enhancing the Company’s performance by recognising and utilising contribution of diverse skills and talents from its directors, officers and employees Diversity at the Senior Management level fosters constructive debates and leads to better decision-making, particularly in today's rapidly changing environment. The Board values the diversity of perspectives and experiences at the Senior Management level, recognizing the advantages it brings to decision-making and competitiveness. The Company strictly adheres to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation. The Company provides equal opportunity to the staff to make contributions and in return to enjoy a rewarding career.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

Stakeholders are able to 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.

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.		
Application	:	Applied
Explanation on application of the practice	:	The NRC bears the responsibility of conducting an annual evaluation of the performance and effectiveness of the entire Board, the various Board Committees, and individual Directors. This evaluation process is overseen by the NRC Chairman and facilitated with the assistance of the Company Secretaries, who administers questionnaires to gather feedback. The NRC had on 30 August 2024 assessed the effectiveness of the Board, its Committees and the contribution of each Director by identifying the strengths and weaknesses of the Board for the financial year 2024. The Board's evaluation process encompasses several key aspects, including the performance assessment of the Board and its various Committees, self-evaluation by Directors, and an evaluation of the independence of Independent Directors. These assessments revolve primary areas relating to board structure, boardroom activities, Board and Chairman's roles and responsibilities, Board’s roles and responsibilities in dealing with ESG issues and Board Committees' roles and responsibilities. For Directors' self-evaluation, specific criteria are considered, including their fit and appropriateness, conflict of interests or potential conflict of interests, ability and competence, personal qualities, mix of skills technical knowledge, objectivity, and their level of engagement and contribution during Board and Committee meetings. The Board expressed satisfaction with the evaluation outcomes. It was confident that the skills and experiences of the current Directors align with the requirements outlined in the skills matrix. Additionally, it affirmed that the Chairman possesses the leadership qualities necessary to safeguard the interests of stakeholders and ensure the Group's profitability. The Directors also demonstrated their

	commitment by dedicating the requisite time and effort to fulfill their responsibilities to the Company and the Group throughout the year. The NRC concurred with the re-appointment of existing members to the various Board Committees for the upcoming year.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	The Company's approach to determining the remuneration of Directors and Senior Management is driven by the objective of offering equitable and competitive compensation. This strategy aims to attract and retain a high-caliber team that benefits the Company. The remuneration packages for Executive Directors and Senior Management comprise a fixed component (in the form of a base salary and, where applicable, fixed allowances determined by the Group's Human Resource policies) and variable components (which would normally comprise of annual bonus) together with benefits-in-kind, if any to reward performance that supports the Group's strategy and creates sustainable long-term value for shareholders. When assessing the structure and level of Directors' fees for Non-Executive Directors, the NRC takes into account the roles and responsibilities and time commitment of Directors. The NRC also benchmarks against industry peers' practices, the demands and complexities associated with the Company's operations and its performance. Each Non-Executive Director receives a fixed base fee, and a meeting allowance for attendance at Board, Board Committee and general meetings. The fees and benefits for Directors are proposed by the NRC for the Board consideration for tabling to the shareholders for approval at the AGM. Notably, Directors abstain from voting to approve their own fees and benefits. The Remuneration Policy is outlined in the Board Charter and is accessible for reference on the Group's website at www.southernscore.com.my. In accordance with the Remuneration Policy, the Board recognises the significance of offering competitive remuneration packages to Senior Management based on their scope of responsibilities and

	performance. The Board emphasises that this approach is in the best interests of the Company and its shareholders, as it helps motivate and retain talented and dedicated Senior Management personnel, thereby promoting the Company's growth prospects.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

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

Practice 7.2
The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

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

Application	:	Applied	
Explanation on application of the practice	:	Further to ensuring that the Board members possess the essential skills, knowledge, and experience required to carry out their duties effectively, the NRC is also involved in matters concerning the remuneration of both the Board and Senior Management. The NRC comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The Chairperson of the NRC is Ms Too Siew Mooi, an Independent Non-Executive Director. A copy of its TOR is available on the Company's website at www.southernscore.com.my During the financial year, the NRC held one (1) meeting with a 100% attendance rate. The NRC has reviewed the remuneration packages of the Executive Directors and key Senior Management staff before recommending to the Board for its consideration and approval.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 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	:	In line with best corporate governance practice, the remuneration of each individual Director on named basis is made transparent and accessible to shareholders and stakeholders. The details of the remuneration of Directors comprising remuneration received from the Company and subsidiary companies for the financial year ended 30 June 2024 are set out as below:-

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	Dato Haji Mohd Amran Bin Wahid	Non-Executive Non-Independent Director	72,000	0	0	0	0	0	72,000	72,000	0	0	0	0	0	72,000
2	Tan Sri Datuk Seri Gan Yu Chai	Executive Director	0	0	0	0	0	0	0	0	0	252,000	42,000	23,950.08	103,638.60	421,588.68
3	Gan Yee Hin	Executive Director	0	0	0	0	0	0	0	0	0	252,000	42,000	0	103,638.60	397,638.60
4	Datuk Sydney Lim Tau Chin	Executive Director	0	0	0	0	0	0	0	0	0	252,000	42,000	0	103,638.60	397,638.60
5	Chai Tham Poh	Non-Executive Non-Independent Director	72,000	0	0	0	0	0	72,000	72,000	0	0	0	0	0	72,000
6	Phe Kheng Peng	Independent Director	72,000	0	0	0	0	0	72,000	72,000	0	0	0	0	0	72,000
7	Too Siew Mooi	Independent Director	72,000	0	0	0	0	0	72,000	72,000	0	0	0	0	0	72,000
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info	Input info	Input info	Input info	Input info	Input info	Input info here	Input info	Input info here	Input info here	Input info here	Input info here	Input info here

				here	here	here	here	here	here		here					
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	Due to confidentiality and sensitivity of information, the Board is of the view that it would not be in its best interest to fully disclose the detailed remuneration of each member of Senior Management on a named basis due to the competitive nature of human resource market and the Company should maintain confidentiality on employees' remuneration packages. As an alternative, the Board decided to disclose the aggregate remuneration of the Senior Management (excluding Executive Directors) for the financial year ended 30 June 2024 ("FYE 2024") as follow:-

Group	Salaries, wages, bonuses and other emoluments (RM)	Benefits-In-Kind (RM)	Total (RM)
Senior Management*	1,647,097.95	11,100	1,658,197.95

** Senior Management team comprises of the Ms Lee Chen Nee (Chief Finance Officer); Mr Pang Cheng Wei (Head of Legal & Corporate Communication); Puan Sri Elaine Lee Kuan Kiow (Director of Human Resource & Administrative); & Ir. Ong Beng Hoe* **(***Director of Development & Projects)*

In accordance with the Remuneration Policy, the Board recognises the significance of offering competitive remuneration packages to Senior Management based on their scope of responsibilities and performance. The Board emphasises that this approach is in the best

	interests of the Company and its shareholders, as it helps motivate and retain talented and dedicated Senior Management personnel, thereby promoting the Company's growth prospects.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application :	Not Adopted
Explanation on adoption of the practice :	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application :	Applied	
Explanation on application of the practice :	The ARMC comprises solely the Non-Executive Directors. All ARMC members are financially literate and are able to analyse and interpret financial statements in order to effectively discharge their duties and responsibilities as members of the ARMC. The Chairman of the ARMC is not the Chairman of the Board ensuring that the impartiality and objectivity of the Board's review on the ARMC's findings and recommendations remain intact.	
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

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application :	Applied	
Explanation on application of the practice :	The Group recognises the need to uphold independence. None of the ARMC members were former key audit partners. The ARMC's TOR stipulate that any former partner of external audit firm must observe a cooling-off period of at least three (3) years before being eligible for appointment as a member of the ARMC. The ARMC TOR was last reviewed on 29 October 2024 and is available on the Company's website www.southernscore.com.my.	
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
There is an effective and independent Audit Committee.

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

Practice 9.3
The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application :	Applied	
Explanation on application of the practice :	The ARMC conducts an annual assessment to evaluate the suitability, objectivity, and independence of the external auditors. In this evaluation, the ARMC takes into consideration various factors, including the audit firm's experience and available resources. The ARMC has obtained written assurance from the external auditors confirming their independence throughout the course of the audit engagement, as per the terms of all relevant professional and regulatory requirements and was satisfied that the external auditors have carried out their work independently. The specific procedures for this assessment are outlined in the ARMC's TOR, which is available for reference on the Company's website. Moreover, the external auditors are granted direct access to the ARMC, enabling them to promptly bring forward any concerns or issues that may arise. The ARMC meets with the external auditors at least once a year, in the absence of Executive Directors and Management. During these meetings, discussions encompass a range of topics, including audit findings, audit plans, and the Company's financial statements.	
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

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 :	

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 :	The Chairperson of the ARMC, Ms Phe Kheng Peng is a Certified Public Accountant with the Institute of Chartered Accountants in Australia. All ARMC members are financially literate and are able to analyse and interpret financial statements in order to effectively discharge their duties and responsibilities as members of the ARMC. They keep themselves abreast with the latest developments in accounting and auditing standards and the impact to the Group through briefings by Management and External Auditors. Based on the outcome of the evaluation carried out by the NRC, the Board was satisfied that the ARMC and each of its members have discharged their duties and responsibilities which contributed to the effectiveness of the ARMC.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board is responsible for reviewing and approving the Group's overall risk philosophy and risk appetite, recognising and understanding the major risks to which the Group is exposed and ensuring appropriate systems are in place to effectively identify, control and manage those risks. The Company has implemented an Enterprise Risk Management Framework and adheres to a Risk Management Policy, both of which are designed to identify, assess and manage substantial risks that could impact the Company's business objectives. The Board, through the ARMC, oversees and tracks the major risks highlighted by its outsourced internal auditors, Sterling Business Alignment Consulting Sdn Bhd ("Sterling"), to ensure proper management and mitigation of risks. The internal auditors independently review the control environment and provide reports to the ARMC and Management. These reports and associated recommendations are considered and acted upon to maintain or strengthen the internal control environment. The Board maintains the viewpoint that the internal control and risk management systems within the Group are robust and adequate. These systems serve to protect the Group's assets, shareholders' investments, as well as the interests of customers, regulators, employees, and other stakeholders.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

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

Practice 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 Board discloses the features of its risk management and internal control framework, the adequacy and the effectiveness of this framework which are set out in the Statement of Risk Management and Internal Control (SORMIC). The Board acknowledges its responsibility and is committed to maintaining a sound system of internal control and risk management practices. However, such systems can only provide reasonable, but not absolute assurance against misstatements or losses. The ARMC regularly evaluates the adequacy and effectiveness of the Group's internal control systems by reviewing the actions taken on lapses/ deficiencies identified in the reports provided by both the internal and external auditor's recommendation and management responses to these recommendations to ensure that they are working adequately and promptly. The SORMIC which has been reviewed by the external auditors furnished on pages 71 to 73 in the Annual Report 2024 provides an overview of the state of risk management and internal control within the Group.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	The Company outsources its internal audit function to Sterling. The internal auditors report directly to the ARMC and the internal audit function is independent of the activities or operations of other operating units in order to perform audit assignments with impartiality, proficiency and due professional care. The main role of the internal auditors is to provide the Board, through the ARMC, reasonable assurance of the effectiveness of the risk management, internal control and governance processes in the Group. The internal control review uses the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") Internal Control-Integrated Framework as a basis for evaluating the effectiveness of the Group's internal control systems. The components of the COSO framework encompass Control Environment, Risk Assessment, Control Activities, Information & Communication and Monitoring Activities. The internal audit activities were carried out based on a risk-based internal audit plan presented by the Internal Auditors to the ARMC for approval. The establishment of the internal audit plan took into consideration the Group's risk profile and input from Management and the ARMC members. The internal audit findings were presented in the ARMC meetings and appropriate recommendations were made on any areas of concern within the Company and the Group for the ARMC's deliberation. The following were the activities undertaken by the Internal Auditors during the financial year under review: (a) Performed follow-up audits at Southern Score Sdn. Bhd. ("SSSB") on Commercial and Contracts, as well as Management of Sub-contractors functions; (b) Performed audit on Safety and Health function at SSSB; and (c) Performed an assessment of the internal control environment within SSSB's Project Management and Procurement functions.
Explanation for departure	:	

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

Intended Outcome
Companies 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 :	The Company has outsourced its internal audit function to an independent internal audit service provider, Sterling. Sterling acts as the internal auditor and reports directly to the ARMC. Sterling engagement team personnel are free from any relationships or conflict of interests with the Group which could impair their objectivity and independence. Sterling does not have any direct operational responsibility or authority over any of the activities audited. Sterling is a corporate member of the Institute of Internal Auditors Malaysia ("IIAM"). The Internal Auditor uses the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control system. The number of audit staff deployed for each internal audit review ranges from 3 to 4 per visit. The lead internal audit team performing the audit for the Group for the year under review consists of:- Dr. So Hsien Ying of Sterling is the Principal Consultant responsible for the internal audit of the Group. She has more than 30 years of experience in corporate planning, business process improvement, risk management, internal audit and internal control review. She is a Doctor in Business Administration (Wales), Master in Business Administration (Finance) (Hull), BSc Economics (Hons) (London), a permanent member of the Internal Control Institute (US), an associate member of IIAM and a member of the Malaysian Alliance of Corporate Directors. Yap Sau Peng, a Certified Internal Auditor (CIA), member of the Malaysian Institute of Accountants (MIA), Professional Member of The Institute Internal Auditors Malaysia (CMIIA), Master of Business Administration with 24 years of experience in business process improvement, internal control review, internal audit and risk management.

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

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 :	The Board places a high priority on ensuring that shareholders, regulators, the investment community, and the media are promptly and accurately informed about all material business events. The Group actively engages with institutional investors, private investors and analysts throughout the year through both scheduled and ad hoc interactions. When the Company makes announcement on a major corporate exercise, it is typically accompanied by a press release. Press conferences are typically held following general meetings approving such major corporate exercises which provide an opportunity for the management to meet existing and/or potential investors in a dedicated meeting. The Group follows a practice of subjecting all material for public announcement, including annual and quarterly financial statements, press releases, and presentations to investors, analysts, and the media, to internal review to ensure accuracy and expressed in a clear and objective manner. The Group's corporate website, www.southernscore.com.my, includes an Investor Relations section that offers comprehensive information about the Group, including announcements to Bursa Securities, share price information, and details about the corporate and governance structure of the Group.
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

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

Intended Outcome

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

Practice 13.1

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 :	The Notice of AGM was served to the shareholders of the Company on 31 October 2024, at least 28 days prior to the 21st AGM which is scheduled on 06 December 2024. The notice of the 21st AGM was published in the Annual Report and uploaded on the Company's website upon release to Bursa Securities. The Notice of AGM provides detailed explanation for resolutions proposed that are relevant, where required and necessary, to enable shareholders to make informed decisions regarding AGM business agenda of the Company.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 13.2

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 :	Barring unforeseen circumstances, all Directors will attend the General Meetings. The Chair of the ARMC, NRC and Key Senior Management personnel were present at the 20th Annual General Meeting. Shareholders were thus accorded the opportunities to pose questions directly to them.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application :	Applied	
Explanation on application of the practice :	The 20th AGM was held physically on 08 December 2023 in Kuala Lumpur. All resolutions were put to vote by poll. In the past AGMs where the general meeting were conducted virtually, the Board ensured that the meeting were supported with meaningful engagement between the Board, Senior Management and shareholders. This included having in place the required infrastructure and tools among others, to ensure a smooth broadcast of the general meeting and interactive participation by shareholders. The virtual meeting facilities have enabled the shareholders of the Company to exercise their right to participate (including the right to pose questions to the Board of Directors and/or Management of the Company) and vote in absentia in accordance with the Company's constitution which allows electronic voting and remote shareholders participation.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 13.4

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.

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.		
Application :	Applied	
Explanation on application of the practice :	The 20thAGM was held physically on 08 December 2023 in Kuala Lumpur. All resolutions were put to vote by poll. Shareholders and proxies were allowed to pose questions at the beginning of the 20th AGM as well as during the meeting and submitted votes in real time whilst the meeting was in progress through electronic poll voting. The Chairman provided ample time for the Questions and Answers session during the AGM and also ample time for the voting session. The Directors together with the Senior Management team, External Auditors were present at the AGM to response to relevant questions addressed to them and responded to the relevant questions during the meeting.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 13.5

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.

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.		
Application :	Not applicable – only physical general meetings were conducted in the financial year	
Explanation on application of the practice :		
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 13.6

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

Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.		
Application :	Applied	
Explanation on application of the practice :	The Minutes of the 20th AGM during the financial year 2023 were made available on our corporate website within 30 business days after the 20th AGM.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

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

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