CORPORATE GOVERNANCE REPORT

STOCK CODE	**:**	0045
COMPANY NAME	**:**	SOUTHERN SCORE BUILDERS BERHAD
FINANCIAL YEAR	**:**	June 30, 2025

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 of Directors ("Board") plays a pivotal role in establishing and upholding an ethical framework within the organisation. It is entrusted with the responsibility of leading and managing the Company and its subsidiaries (the "Group") in an ethical and effective manner. Each Director has a legal duty to act in the best interests of the Group, with the ultimate aim of enhancing shareholders' value. Both collectively and individually, the Directors are fully cognisant of their obligations to stakeholders in the management of the Group's affairs. The Group's corporate governance is structured around a framework comprising various structures, policies, and procedures. The Board is supported by three (3) committees, namely the Audit and Risk Management Committee ("ARMC"), the Nomination Committee ("NC"), and the Remuneration Committee ("RC"). These committees play an active role and function as oversight bodies. They evaluate and make recommendations on matters within their respective scopes for the Board's consideration and approval. The Board is also kept updated by the respective Chairpersons of these committees on the discussions and deliberations held during their meetings. The Board communicates its directives to Management through the Managing Director ("MD"), who is responsible for their implementation. Management, in turn, is accountable for the Group's day-to-day operations, acting within the authority delegated by the Board and in accordance 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. He leads the Board by setting the tone from the top and ensuring the Board's effectiveness, with a focus on governance and compliance. He acts as a facilitator during Board meetings, encouraging constructive participation from all Directors on matters under deliberation and ensuring that no single Board member dominates the discussion. The Chairman also seeks to ensure the Board receives accurate, timely, and clear information. During meetings, he fosters a collaborative environment, allowing each Director the opportunity to contribute to discussions and deliberations, thereby 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 roles of Chairman and MD within the Company are held separately by Dato' Haji Mohd Amran Bin Wahid and Tan Sri Datuk Seri Gan Yu Chai, respectively. This clear separation of responsibilities is expressly defined in the Company's Board Charter to ensure a balance of authority, accountability, and effective oversight. The Chairman provides leadership to the Board and is responsible for ensuring its smooth and effective functioning. He facilitates open and constructive contributions from all Directors on matters under deliberation and ensures that discussions are not dominated by any single Board member. The MD is responsible for the implementation of strategies, policies and decisions approved by the Board, and for overseeing the day-to-day operations and overall management of the Group's business activities.	
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

<table>
<tr><td colspan="3">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'.</td></tr>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">The Chairman, Dato' Haji Mohd Amran Bin Wahid is not a member of the ARMC, NC or RC.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
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<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 1.5
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 their services. The Company Secretaries play an important role in assisting the Board with matters relating to corporate governance and regulatory compliance, including:
a. Assisting in the preparation of agendas for Board and Board Committee meetings in consultation with the Chairman and Executive Management;
b. Providing advice on areas requiring attention to ensure compliance with the Code;
c. Updating the Board on changes to regulatory requirements applicable to the Company; and
d. Assisting the Board in fulfilling disclosure obligations in accordance with the ACE Market Listing Requirements (“AMLR”) and the Companies Act 2016.

The Company Secretaries ensure that all Board and Board Committee meetings are duly convened, and that proper and accurate records of deliberations, proceedings, and resolutions are maintained. They are also responsible for ensuring that statutory registers are properly kept at the Company's registered office. The Board is kept regularly informed of developments related to the AMLR, as well as directives, circulars from Bursa Securities, and other relevant legal and regulatory updates.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
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Intended Outcome

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

Practice 1.6

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	:	Notices of meetings, together with the agenda and relevant meeting materials, are circulated to Directors in advance within a reasonable timeframe. This practice allows Directors to review the matters to be deliberated, and where necessary, to seek additional information or clarification prior to the meetings. The Board ordinarily meets on a quarterly basis, with additional meetings convened as necessary to deliberate on urgent and significant matters arising outside the regular meetings schedule. To assist Directors in managing their commitments effectively, an annual meeting calendar is prepared and circulated prior to the commencement of each calendar year to enable Directors to plan and allocate sufficient time for their attendance. A formal procedure is in place to ensure the timely circulation of Board and Board Committee papers, as well as minutes of meetings, to all Directors within a reasonable timeframe prior to the respective meetings. This facilitates informed decision-making and enables the Board to address matters arising effectively. Management may be invited to attend Board and Committee meetings to provide relevant insights and information in relation to their areas of responsibility. In addition, the Board retains the discretion to invite external parties—including external auditors, internal auditors, solicitors, and consultants—when necessary, depending on the nature and complexity of the matters under consideration. Where appropriate, Directors are entitled to seek independent professional advice, at the Company's expense, particularly on matters relating to 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 is a comprehensive document that outlines the core values, principles, and overall culture of the Company. It sets out policies and clearly defines the roles and responsibilities of key parties, including the Board, the Chairman, the Chief Executive Officer, Independent Directors, Board Committees, and individual Directors. The Charter provides structured guidance and establishes ethical standards for both Directors and Management, supporting them in the effective discharge of their duties to the Company. It also details the operational practices of the Board. The Board Charter enumerates matters specifically reserved for the Board, supported where appropriate by recommendations from the relevant Board Committees. The Charter is reviewed periodically and updated as necessary to ensure it remains aligned with the Board's objectives, current laws, and prevailing 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.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">The Code of Conduct and Ethics covers all aspects of the Group's day-to-day business activities. It sets clear expectations for the behaviour and conduct of Directors and employees, with an emphasis on honesty and integrity in dealings with both colleagues and external stakeholders.

All Directors and employees are expected to exercise due care and diligence in protecting confidential and price-sensitive information related to the Company and its business associates, and to avoid any misuse of such information for personal benefit.

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.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
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</table>

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 to raise genuine concerns regarding potential misconduct. Such concerns may relate to financial reporting, regulatory non-compliance, corruption, or other unethical practices. The policy underscores the importance of timely reporting through the proper channels and outlines clear procedures on when, how, and to whom such concerns should be reported. It ensures that all reports are handled appropriately and that the identity and interests of the whistle-blower are protected. This policy is available on the Company's website at www.southernscore.com.my. The ARMC conducts periodic reviews of this Policy and is committed to carrying out such a review at least once every three (3) years to assess whether the Policy has been appropriately implemented and enforced. The findings from the review serve as a basis for guiding continuous improvements to the Policy. 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 Management, assumes responsibility for the governance of sustainability within the Company, which includes the formulation of sustainability strategies, the setting of priorities, and the establishment of measurable targets. Details of the Group's sustainability-related matters, including key initiatives and activities undertaken during the year, are disclosed in the Sustainability Statement of the 2025 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 in the Sustainability Statement in the 2025 Annual Report and communicated to both internal and external stakeholders through various established communication channels. The Board provides leadership in the Group's sustainability journey by setting the strategic direction and overseeing all Environmental, Social and Governance ("ESG") matters. Senior Management supports the Board by developing and implementing the Group's sustainability strategies, while the respective Heads of Departments are responsible for the day-to-day execution of initiatives, monitoring progress, and providing regular updates on sustainability performance 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	:	To ensure that the Board remains well-informed of sustainability matters relevant to the Company's business and operations, Directors are encouraged, from time to time, to attend seminars or training programmes, conducted either internally or externally, to enhance their understanding of sustainability-related risks and opportunities. In addition, the Board is regularly updated on Sustainability and ESG matters through reports and governance updates, enabling the Directors to stay abreast of the latest developments, emerging trends and regulatory expectations in this area.	
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 a pivotal role in identifying, managing and addressing material sustainability risks and opportunities that may impact the Group's long-term value creation. The annual performance evaluations of the Board are not limited to financial performance alone but also extend to non-financial aspects, including the Group's progress and commitment towards sustainability objectives.	
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.

<table>
<tr><td>Application :</td><td>Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td>The NC is responsible for recommending candidates to the Board to fill vacancies arising from resignation, retirement, or other circumstances, as well as to identify and propose additional Directors with the necessary skills or professional expertise to address any competency gaps within the Board. Potential candidates may be nominated by existing Directors, Senior Management, shareholders, or through third-party referrals.

Upon receiving a proposal, the NC conducts an assessment and evaluation of the nominated candidates.

The assessment and evaluation of proposed candidates, as well as the re-election of retiring Directors, take into consideration, among others, the following factors:

(a) The composition requirements of the Board and its Committees;
(b) The candidate's age, educational background, experience, skills, knowledge, expertise, integrity, potential conflicts of interest, and other relevant qualities to enable the effective and competent discharge of responsibilities;
(c) The candidate's independence (in the case of the appointment or re-election of an Independent Non-Executive Director);
(d) The candidate's ability to allocate sufficient time and commitment to the Group's affairs; and
(e) The outcome of the annual assessment, including the fit and proper assessment (in the case of a retiring Director standing for re-election).</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td></td></tr>
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<tr><td>Measure :</td><td></td></tr>
</table>

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	:	Applied	
Explanation on application of the practice	:	The Board places strong emphasis on ensuring that its Directors are not only capable and committed to acting in the best interests of shareholders, but also remain free from any conflicts of interest. Independent Directors are expected to exercise impartial judgment and perform their duties without influence from personal relationships or business associations with Management. At present, the Board comprises four (4) Independent Non-Executive Directors, namely Ms Phe Kheng Peng, Ms Too Siew Mooi, Ms Kam Wai Peng, and Ms Ong Chin Cheah. None of these Directors holds shares in the Company, is employed by the Group, or has any relationships that could compromise their independence or objectivity. The independence of the Independent Non-Executive Directors is reviewed annually as part of the Board's evaluation process, based on the criteria prescribed by Bursa Securities. The Board is satisfied with the independence and objectivity demonstrated by all Independent Non-Executive 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
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	:	In line with the Code and the Board Charter, the tenure of an Independent Non-Executive Director should not exceed a cumulative period of nine (9) years. Upon reaching this limit, an Independent Director may continue to serve on the Board only if the Board provides sufficient justification and subject to two-tier approval by shareholders. As at the date of this statement, none of the Independent Non-Executive Directors has served for nine (9) 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.

Application	:	Applied
Explanation on application of the practice	:	The Board recognises the importance of diversity and inclusivity, believing that it enables the Company to leverage the unique strengths of its members to steer the organisation effectively and sustain its competitive advantage. To this end, the Board, through the NC, undertakes an annual review of its size and composition. This evaluation ensures that the Board maintains an appropriate balance of size, diversity, and independence in line with the Company's objectives and strategic direction. The Directors bring with them a broad range of knowledge, skills, and expertise, enabling them to contribute meaningfully to the Group's management, operations, and strategic development. Appointments to the Board and Senior Management are made based on objective criteria, merit, and a strong commitment to diversity. This encompasses not only skills and experience, but also age, cultural and socio-economic backgrounds, and gender. Currently, the composition of the Board is stated as follows:-

Current Board Composition	**No. of Directors**	**%**
Non-Independent	4	50.00
Independent	4	50.00
Total	**8**	**100.00**

The diversity in race / ethnicity, age and gender of the Board as at 30 June 2025 is as follows: -

	Race/Ethnicity		**Age Group**				**Gender**	
	Malay	**Chinese**	**<40**	**41-50**	**51-60**	**>60**	**Male**	**Female**
No. of Directors	1	7	2	0	5	1	4	4

	A brief profile of each Director is presented on pages 8 to 15 of the 2025 Annual Report. The members of the Senior Management currently consist of 2 male and 2 female. 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 66 of the 2025 Annual Report for the details on the attendance of the Directors at the Board meetings.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

Practice 5.6
In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

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

Application	:	Applied	
Explanation on application of the practice	:	The NC is responsible for recommending candidates to the Board to fill vacancies arising from resignation, retirement, or other circumstances, as well as to identify and propose additional Directors with the necessary skills or professional expertise to address any competency gaps within the Board. Potential candidates may be nominated by existing Directors, Senior Management, shareholders, or through third-party referrals. The NC continuously reviews the Board's balance in terms of skills, knowledge, experience, diversity and tenure of service of its members to ensure it remains well-positioned to lead the Company effectively. Where necessary, the NC may engage independent sources to identify suitably qualified candidates for appointment as new Directors. All candidates undergo a comprehensive screening, evaluation and selection process before any recommendation for appointment is made to the Board.	
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	:	In accordance with the Company's Constitution, one-third (1/3) of the Directors are subject to retirement by rotation at each Annual General Meeting ("AGM"), provided that every Director shall retire at least once every three (3) years. Retiring Directors are eligible for re-election and shall remain in office until the conclusion of the AGM at which they retire. The information of directors retiring during the financial year under Clause 118 and Clause 98 of the Company's Constitution such as their personal profile, record of attendance of meetings and the shareholdings (if applicable) are disclosed in the 2025 Annual Report. During the financial year 2025, the assessment relating to the re-election of directors was reviewed by the NC 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 2025, the Board had recommended the re-election of directors pursuant to Clause 118 and Clause 98 of the Company's Constitution to the shareholders for approval at the 22nd 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 NC comprises exclusively of Independent Non-Executive Directors. The current NC members are as follows: -

<table><tr><th>Name</th><th>Directorship</th></tr><tr><td colspan="2">Chairperson:</td></tr><tr><td>Phe Kheng Peng</td><td>Independent Non-Executive Director</td></tr><tr><td colspan="2">Members:</td></tr><tr><td>Too Siew Mooi</td><td>Independent Non-Executive Director</td></tr><tr><td>Ong Chin Cheah</td><td>Independent Non-Executive Director</td></tr></table>
The NC Terms of Reference (“TOR”) was adopted on 7 March 2025, following the separation of the Nomination and Remuneration Committee (“NRC”) into two distinct Board Committees, namely the NC and Remuneration Committee (“RC”) on 5 March 2025.

The NC TOR is available on the Company’s website www.southernscore.com.my</td></tr>
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<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	:	Applied	
Explanation on application of the practice	:	The Board acknowledges the significance of gender diversity, while also prioritising the right mix of skills and competencies. At present, women represent four (4) out of the eight (8) members of the Board, accounting for 50% female representation.	
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 5.10
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 sets out its approach to achieving and maintaining diversity, including gender diversity, within its Board of Directors. The Board recognises that diversity is an essential element in strengthening governance and performance. The Company is therefore committed to managing diversity and promoting inclusiveness at all levels of the organisation. This approach enables the Company to harness the diverse skills, talents and experiences of its Directors, Senior Management and employees in driving sustainable growth. Diversity within Senior Management is equally valued, as it encourages constructive debate and enhances decision-making, particularly in an environment characterised by rapid change. The Board recognises that a variety of perspectives and experiences at this level strengthens competitiveness and overall organisational performance. The Company also strictly upholds a non-discrimination policy, ensuring that no individual is disadvantaged based on race, age, religion, gender or any other characteristic. Equal opportunity is provided to all staff to contribute meaningfully to the Group and to pursue 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 NC is responsible for conducting an annual evaluation of the performance and effectiveness of the Board as a whole, its Committees, and individual Directors. This evaluation process is overseen by the NC Chairman and supported by the in-house Human Resource Department, who facilitate the exercise by administering structured questionnaires to gather feedback. On 22 August 2025, the NC undertook an assessment of the effectiveness of the Board, its Committees, and the contribution of each Director for the financial year ended 2025, with the objective of identifying the Board's strengths and areas for improvement. The areas assessed included Board composition and structure, the effectiveness of boardroom processes and activities, the roles and responsibilities of the Board and the Chairman, the Board's oversight of ESG matters, and the effectiveness of Board Committees. For Directors' self-evaluations, the criteria considered included fitness and propriety, independence and objectivity, avoidance of conflicts of interest, competence and technical knowledge, personal qualities, mix of skills, as well as engagement and contribution during Board and Committee meetings. The Board expressed satisfaction with the outcome of the evaluation. It was confident that the collective skills and experience of the current Directors are well aligned with the Group's needs, as reflected in the skills matrix. The Chairman was recognised as possessing the leadership qualities necessary to safeguard the interests of stakeholders and to ensure the continued growth and profitability of the Group. The Directors were also commended for their commitment in devoting the required time and effort to discharge their responsibilities effectively throughout the year.

	Based on the results of the evaluation, the NC recommended, and the Board agreed, to the re-appointment of the existing members to the respective Board Committees for the forthcoming 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 guided by the principle of providing fair, competitive, and performance-driven compensation. This strategy is designed to attract, retain, and motivate individuals of high calibre whose contributions are essential to the success of the Company and the Group. The remuneration packages of Executive Directors and Senior Management comprise both fixed and variable components. The fixed component includes base salary and, where applicable, fixed allowances in line with the Group's Human Resource policies. The variable component, typically in the form of an annual bonus, is linked to performance and aligned with the achievement of the Group's strategic objectives. Benefits-in-kind may also be provided, where appropriate, to support overall remuneration. In determining the fees and benefits payable to Non-Executive Directors, the RC considers a range of factors, including the Directors' roles and responsibilities, the time commitment required, the complexity of the Company's operations, and the Group's performance. Benchmarking against comparable industry practices is also undertaken to ensure the remuneration remains competitive. Non-Executive Directors receive a fixed base fee. The RC is responsible for reviewing and recommending the Directors' fees and benefits to the Board for consideration, prior to tabling the proposed amounts to shareholders for approval at the AGM. In accordance with good governance practices, Directors abstain from deliberating or voting on their own fees and benefits.

	The Group's Remuneration Policy is outlined in the Board Charter and is available for reference on the Company's website at www.southernscore.com.my. In line with the Remuneration Policy, the Board recognises the importance of offering competitive remuneration packages to Senior Management that reflect their roles, responsibilities, and performance. The Board is of the view that this approach serves the best interests of the Company and its shareholders, as it motivates and retains high-performing Senior Management personnel, thereby supporting the long-term growth and sustainability 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
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.

<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 RC comprises exclusively of Independent Non-Executive Directors. The current RC 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 Director</td></tr><tr><td colspan="2">Members:</td></tr><tr><td>Phe Kheng Peng</td><td>Independent Non-Executive Director</td></tr><tr><td>Ong Chin Cheah</td><td>Independent Non-Executive Director</td></tr></table>
The RC TOR was adopted on 7 March 2025, following the separation of the NRC into two distinct Board Committees, namely the NC and RC on 5 March 2025.

The RC TOR 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">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</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

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 2025 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	60,000	252,000	42,000	23,950.08	0	377,950.08
3	Gan Yee Hin	Executive Director	0	0	0	0	0	0	0	0	84,000	252,000	42,000	0	0	378,000
4	Datuk Sydney Lim Tau Chin	Executive Director	0	0	0	0	0	0	0	0	117,600	252,000	42,000	0	0	411,600
5	Phe Kheng Peng	Independent Director	72,000	0	0	0	0	0	72,000	72,000	0	0	0	0	0	72,000
6	Too Siew Mooi	Independent Director	72,000	0	0	0	0	0	72,000	72,000	0	0	0	0	0	72,000
7	Kam Wai Peng	Independent Director	24,000	0	0	0	0	0	24,000	24,000	0	0	0	0	0	24,000
8	Ong Chin Cheah	Independent Director	23,225.81	0	0	0	0	0	23,225.81	23,225.81	0	0	0	0	0	23,225.81
9	Chai Tham Poh	Non-Executive Non-Independent Director	46,500	0	0	0	0	0	46,500	46,500	0	0	0	0	0	46,500
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.

<table>
<tr><td>Application</td><td>:</td><td>Departure</td></tr>
<tr><td>Explanation on application of the practice</td><td>:</td><td></td></tr>
<tr><td>Explanation for departure</td><td>:</td><td>The total remuneration of Senior Management comprised of annual salary, bonus, benefits in-kind and other emoluments which were determined based on their annual appraisal performance, inflation and overall performances of the Company. During FY2025, the aggregate remuneration of these Senior Management received and/or receivable from the Company and its subsidiaries is disclosed in bands of RM50,000 below:

<table>
<tr><th>Range of Remuneration</th><th>No. of Top Senior Management</th></tr>
<tr><td>Below RM200,001</td><td>-</td></tr>
<tr><td>RM200,001 – RM250,000</td><td>-</td></tr>
<tr><td>RM250,001 – RM300,000</td><td>1</td></tr>
<tr><td>RM300,001 – RM350,000</td><td>1</td></tr>
<tr><td>RM350,001 and above</td><td>2</td></tr>
</table>

Given the confidential and commercially sensitive nature of remuneration matters, as well as the need to ensure stability and continuity in the Group's operations with a competent and experienced management team in place, the Board is of the view that it is not necessary for the Group to disclose the remuneration of Senior Management personnel who are not Directors.

The Board acknowledges the Code emphasises transparency in the disclosure of Senior Management remuneration. Nevertheless, the Board believes that such disclosure may be detrimental to the Group's business interests, particularly in the context of the highly competitive human resource environment in which the Group operates. Public disclosure of detailed remuneration information could expose the Group to the risk of talent poaching by competitors, thereby creating potential challenges in recruitment and retention of key Senior Management personnel.</td></tr>
</table>

	Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe :	Choose an item.	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1								
2								
3								
4								
5								

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 Independent Non-Executive Directors. All members are financially literate and possess the ability to analyse and interpret financial statements, thereby enabling them to discharge their duties effectively. Importantly, the Chairman of the ARMC is not the Chairman of the Board, ensuring impartiality and objectivity in the Board's review of the ARMC's findings and recommendations.	
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. In line with its TOR, the ARMC observes a cooling-off period of at least three (3) years for any former partner of the external audit firm before such individual may be appointed 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 undertakes an annual assessment of the suitability, objectivity, and independence of the external auditors. This evaluation takes into account various factors, including the audit firm's competence, adequacy of resources, and track record. The ARMC has received written assurance from the external auditors confirming their independence throughout the course of the audit engagement, in compliance with all relevant professional and regulatory requirements. Based on this assurance and its own assessment, the ARMC is satisfied that the external auditors have conducted their audit independently. The specific procedures for this assessment are outlined in the ARMC's TOR, which is available for reference on the Company's website. The external auditors have unrestricted access to the ARMC, enabling them to raise concerns directly. The ARMC meets with the external auditors at least once annually without the presence of the Executive Directors and Management. These sessions provide a platform for candid discussions on 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	:	Adopted
Explanation on adoption of the practice	:	The ARMC comprises solely Independent Non-Executive Directors, namely Ms Phe Kheng Peng, Ms Too Siew Mooi and Ms Kam Wai Peng

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 members of the ARMC are financially literate, with the ability to analyse and interpret financial statements to effectively discharge their duties and responsibilities. They continue to keep themselves updated with the latest developments in accounting and auditing standards, as well as their implications to the Group, through regular briefings by Management and the External Auditors. Based on the outcome of the evaluation conducted by the NC, the Board is satisfied that the ARMC as a whole, and each of its members individually, have discharged their duties and responsibilities effectively, thereby contributing positively to the overall 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 holds ultimate responsibility for reviewing and approving the Group's overall risk philosophy and risk appetite. In doing so, it recognises and understands the principal risks to which the Group is exposed and ensures that effective systems are in place to identify, evaluate, control, and manage those risks. The Company has adopted an Enterprise Risk Management ("ERM") Framework and a Risk Management Policy designed to provide a structured approach for identifying, assessing, and managing material risks that may affect the achievement of the Group's business objectives. The Board, through the ARMC, monitors and oversees the key risks identified by the Group's outsourced internal auditors, Sterling Business Alignment Consulting Sdn Bhd. The internal auditors carry out independent reviews of the Group's control environment and present their findings and recommendations to both the ARMC and Management. These recommendations are duly considered and acted upon to strengthen the Group's overall risk management and internal control systems. The Board is of the view that the Group's risk management and internal control systems are sound and adequate, providing a reasonable assurance of safeguarding the Group's assets, protecting shareholders' investments, and serving 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 key features of its risk management and internal control framework, together with an assessment of its adequacy and effectiveness, in the Statement of Risk Management and Internal Control (SORMIC). The Board acknowledges its overall responsibility for the Group's system of internal control and risk management and remains committed to maintaining a sound framework to safeguard shareholders' investments, as well as the Group's assets and reputation. Nevertheless, it must be recognised that such systems are designed to manage, rather than eliminate, risks. Accordingly, they can only provide reasonable, and not absolute, assurance against material misstatements, losses or irregularities. The ARMC plays an active role in evaluating the adequacy and effectiveness of the Group's internal control environment. This includes reviewing actions taken by Management in response to lapses or deficiencies identified in reports furnished by both the internal and external auditors, and ensuring that recommendations are addressed in a timely and effective manner. The SORMIC, which has been reviewed by the external auditors, is disclosed on pages 81 to 84 of the 2025 Annual Report and provides an overview of the state of the Group's risk management and internal control framework.
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 Group's internal audit function is outsourced to Sterling Business Alignment Consulting Sdn Bhd ("Sterling"), which reports directly to the ARMC. This function is independent of Management to ensure objectivity, impartiality and professional care. Its principal role is to provide the ARMC and the Board with reasonable assurance regarding the effectiveness of the Group's governance, risk management, and internal control processes. The internal audit reviews are based on the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") Internal Control–Integrated Framework, encompassing the following components: Control Environment, Risk Assessment, Control Activities, Information & Communication, and Monitoring Activities. The internal audit plan for FYE 2025 was developed with reference to the Group's risk profile and approved by the ARMC. Key activities carried out by the internal auditors during the year included: (a) Conducting follow-up audits at SSSB on Safety and Health function, as well as Project Management and Procurement functions. (b) Performing audits on the Finance and Accounts function at the Group. (c) Assessing the internal control environment of the Group's Human Resources Management 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 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 recognises and values the importance of effective communication and timely dissemination of material information to shareholders, potential investors, and the investing public. Clear, transparent, and equitable communication ensures that all stakeholders are kept informed of the Group's significant developments. The Board is fully committed to promote and uphold the highest standard of integrity, transparency and accountability by ensuring timely, accurate, quality and comprehensive disclosures of pertinent information relating to the Group's businesses, operations and financial performance through various communication channels, including annual reports, circulars/statements to shareholders, unaudited quarterly financial results and annual financial statement and announcements or disclosures to Bursa Securities pertaining to material contracts awarded. To safeguard the quality and clarity of communication, all public announcements undergo an internal review process to ensure accuracy, objectivity, and compliance with the AMLR. The Group also adheres to the Corporate Disclosure Guide issued by Bursa Securities in preparing its disclosures. The Group's corporate website serves as an important communication platform, particularly its Investor Relations section, which provides stakeholders with convenient access to a wide range of information, including Bursa Securities announcements, share price data, and details of the Group's corporate and governance structures.
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.

<table>
<tr><td>Application :</td><td colspan="2">Not applicable – Not a Large Company</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2"></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">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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.

<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 Notice of AGM was served to the shareholders of the Company on 30 October 2025, at least 28 days prior to the 22nd AGM which is scheduled on 9 December 2025. The notice of the 22nd AGM was published in the 2025 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.</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">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</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
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 Directors and Key Senior Management personnel were present at the 21st 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 21st AGM was held physically on 12 December 2024 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 21st AGM was held physically on 12 December 2024 in Kuala Lumpur. All resolutions were put to vote by poll. Shareholders and proxies were allowed to pose questions during the AGM 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.

<table>
<tr><td colspan="3">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.</td></tr>
<tr><td>Application :</td><td colspan="2">Not applicable – only physical general meetings were conducted in the financial year</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2"></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">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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 21st AGM held on 12 December 2024 were made available on our corporate website within 30 business days after 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 :		

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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