

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 9237  
**COMPANY NAME** : Sarawak Consolidated Industries Berhad  
**FINANCIAL YEAR** : June 30, 2023

### **OUTLINE:**

#### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

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

#### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

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

## 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.

<b>Application</b>	: Applied.
<b>Explanation on application of the practice</b>	<p>The Board is responsible for formulating and reviewing the Company's strategic plan and key policies, and to chart the course of the Company's business operations while providing effective oversight of the Management's performance as well as the risk management procedures and key controls.</p> <p>In order to ensure the effective discharge of the Board's roles and responsibilities, the Board has in place the Board Charter and has also delegated specific tasks to the Board Committees namely the Audit Committee, Remuneration and Nomination Committee, Risk Management Committee and the Investment Committee. All the Board Committees have their own terms of reference to deal with particular issues and report back to the Board with the necessary recommendations, if any. The ultimate approval still lies with the entire Board.</p> <p>The Board assume the following key responsibilities, which are to be discharged in the best interest of the Company:</p> <ul style="list-style-type: none"><li>• Reviewing and adopting a strategic plan for the Company;</li><li>• Overseeing and monitoring the day-to-day management of the Group's business and the conduct of the Company's business to evaluate whether the business is being properly managed;</li><li>• Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;</li><li>• Developing the Group's succession planning;</li><li>• Developing and implementing of an investor relations program or shareholder communications policy for Company and encourages the use of information technology for effective dissemination of information; and</li><li>• Reviewing adequacy and integrity of Company's internal control systems and Management information systems,</li></ul>

	including systems for compliance with applicable laws, regulations, rules, directives and guidelines.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## 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.

<b>Application</b>	: Applied.
<b>Explanation on application of the practice</b>	<p>The role of the Chairman is specified in the Board Charter as follows:</p> <ul style="list-style-type: none"><li>• Ensure the integrity and effectiveness of the governance process of the Board as set out in the Malaysian Code of Corporate Governance and for the full discharge of the Board's responsibilities;</li><li>• Act as liaison between the Board and Management, primarily through the Group Managing Director / Chief Executive Director / Executive Director ("GMD / CEO / ED");</li><li>• Establish and maintain procedures governing the working of the Board including setting agenda for each Board Meeting together with the Company Secretary and GMD / CEO / ED;</li><li>• Lead and facilitate Board meetings and discussions in such a manner that will stimulate debate on the issues before the Board and encourage the most effective contribution from each Director;</li><li>• Assist the Board fulfill its responsibilities and objectives by assigning specific tasks to members of the Board and Committees;</li><li>• Initiate the establishment of Board Committees, committee structure, including assignments of members and committee chairman and ensuring that the Committees achieve their objectives;</li><li>• Participate in the activities of the Committees as may be required from time to time, such as during selection of Board Members and ensuring that the membership is properly balanced and reviewing the remuneration and performance of the GMD / CEO / ED and other Directors; and</li><li>• Lead the role in presenting SCIB's cause, whether formally or informally, with the authorities, institutional or potential investors and other stakeholders in which SCIB operates</li></ul> <p>En. Shamsul Anuar Bin Ahamad Ibrahim ("En. Shamsul") was the Independent Non-Executive Chairman of the Board for the financial year 2023 and was redesignated as the independent non-executive director with effect from 28 June 2023.</p> <p>As of the Latest Practicable Date ("LPD"), En. Abang Abdillah Izzarim Bin Datuk Patinggi Tan Sri Abang Haji Abdul Rahman Zohari ("En. Izzarim") has been appointed as an Executive Chairman of SCIB with effect on 28 June 2023.</p>

<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### 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.

<b>Application</b>	: Applied.
<b>Explanation on application of the practice</b>	<p>The positions of the Chairman and Managing Director are held by two different individuals.</p> <p>The Chairman, En. Abang Abdillah Izzarim Bin Datuk Patinggi Tan Sri Abang Haji Abdul Rahman Zohari was appointed as an Executive Chairman with effect on 28 June 2023 in place of En. Shamsul Anuar Bin Ahamad Ibrahim on 28 June 2023.</p> <p>Mr. Ku Chong Hong was appointed as the Company's Managing Director/Chief Executive Officer in place of En. Rosland Bin Othman on 28 June 2023.</p> <p>The Chief Executive Officer ("CEO") is responsible for all day-to-day management and for leading the development and execution of the Company's long and short-term plans.</p> <p>The CEO acts as a direct liaison between the Board and the Management and communicates on behalf of the Company to the Board.</p> <p>The GMD / CEO / ED responsibilities are stated in the Board Charter as follows:</p> <ul style="list-style-type: none"><li>• Assist the Chairman to ensure that the integrity and effectiveness of the Governance process;</li><li>• Initiate the Strategic Planning process and develop the overall corporate plan, objectives and budget for the consideration of the Board;</li><li>• Identify business development opportunities in line with corporate plan and that the Group achieves and maintains a satisfactory competitive position within its industry;</li><li>• Update the Board and present day-to-day business affairs together with the Management team at the quarterly meetings;</li><li>• Implement, operate and monitor procedures within the Group consistently and monitor and analyse performance and key risk activities against predetermined Key Performance Indicators;</li><li>• Formulate and oversee the implementation of major corporate policies; and</li><li>• Foster a corporate culture that promotes ethical practices, integrity, and fulfils social responsibility.</li></ul>

<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b>	: Applied.
<b>Explanation on application of the practice</b>	: En. Shamsul Anuar Bin Ahamad Ibrahim is an Independent Non-Executive Chairman of SCIB from 25 October 2022 to 28 June 2023, was also a member of Audit Committee, Nomination Committee and the Chairman of Remuneration Committee.  However, as of LPD, En. Abang Abdillah Izzarim Bin Datuk Patinggi Tan Sri Abang Hj Abdul Rahman Zohari has been appointed as the Executive Chairman of the Board with effect on 28 June 2023 and he is not a member of the Audit Committee, Nomination Committee or Remuneration Committee.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  



## 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.

<b>Application</b>	: Applied.
<b>Explanation on application of the practice</b>	<p>The Board is supported by two (2) suitably qualified and competent Company Secretaries under Section 235(2)(a) of the Companies Act 2016. The Company Secretaries have vast knowledge and experience from being in public practice and is supported by a dedicated team of company secretarial personnel.</p> <p>During the financial year, Mr. Tan Tong Lang, a member of the Malaysian Association Institute of Chartered Secretaries and Administrators ("MAICSA") and Ms Thien Lee Mee, a Licensed Secretary were appointed as the Joint Secretaries on 7 June 2023 in place of the resigned Company Secretary, Ms Ng Lai Yee, who is also the member of MAICSA.</p> <p>The Company Secretaries, or together with their representatives, had during the year:</p> <ul style="list-style-type: none"><li>(i) acted as Secretary for all Board Committee meetings and ensure that all meetings are properly convened;</li><li>(ii) recorded and minuted the proceedings of all meetings including pertinent issues, substance of inquiries and responses, suggestions and proposals;</li><li>(iii) play supporting and advisory roles to the Board with the assistance of the Management, particularly with regard to the Company's constitution, compliance of statutory and regulatory requirements such as restriction in dealing with the securities of the Company; and</li><li>(iv) regularly updated and briefed on the latest changes/developments in corporate governance, statutory and regulatory requirements, ensure adherence and compliance to the procedures and regulatory requirements from time to time) managed proceedings pertaining to the annual general meeting held during the year.</li></ul> <p>The Company Secretaries have attended many relevant continuous professional development programs i.e. trainings, seminars, workshops and talks conducted by the Companies Commission of Malaysia, Bursa Securities and MAICSA to keep abreast with the relevant updates on statutory and regulatory requirements.</p>

<b>Explanation for departure</b> :		
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<b>Measure</b> :		
<b>Timeframe</b> :		

### 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.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>The management is responsible to provide the Board with the required information in an appropriate and timely manner. The CEO, assisted by the senior management, the Company Secretary and Salihin Consulting Group Sdn. Bhd., assesses the type of information required to be provided to the Board. If the information provided by the management is insufficient, the Board will make further enquiries where necessary to which the persons responsible will respond as fully and promptly as possible.</p> <p>The Directors would receive the structured agenda at least five (5) business days before the Board meeting, together with comprehensive management reports and proposal papers.</p> <p>Minutes of meetings are circulated and confirmed as correct record by the Board and Board Committees at the following meeting.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied.	
<b>Explanation on application of the practice</b>	:	<p>The Company has Board Charter in place which set out the Company' Code of corporate governance and the roles and responsibilities of the Board of Directors and Board committees.</p> <p>The Board Charter is reviewed as and when necessary to keep it up to date with changes in regulations and best practices and ensures its effectiveness and relevance to the Board's objective.</p> <p>The Board Charter is published on the Company's website.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>The Directors has adopted Code of Ethics for Company Director as issued by Suruhanjaya Syarikat Malaysia, in which the reference was incorporated in the Board Charter, which was published in the Company's website.</p> <p><i>The Company are committed to achieve good corporate governance and code of conduct with a high level of transparency and ethical integrity in dealing with various stakeholders via various communication channels such as regular meeting, timely disclosure to Bursa Malaysia Securities Berhad, annual general meeting and annual report.</i></p> <p><i>The Company treat everyone including employees, customers, suppliers with respect and integrity and ensure they protect their employee rights at all times adhering to local regulations and employment act. The Company acknowledge employees' right to a minimum wage and fair salary and ensure monthly remuneration are paid on time. Recruitment of employee is conducted through a fair and transparent process based on qualification, experience, merit and attributes.</i></p> <p><i>The Company follow business policies and processes that are fair, unbiased and applied consistently. They engage in ethical procurement procedures, good management practices, internal control systems and promote transparency emphasizing on corporate accountability.</i></p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied.	
<b>Explanation on application of the practice</b>	:	The Company has established a whistleblowing policy which is accessible in the Company's website.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>Recognizing that risk management is correlated to overall sustainability performance, our sustainability agenda is driven within our governance structure by the Board Risk Management Committee and Risk Management Working Group ("RMWG") where sustainability issues or sustainability-related risks are identified. The RMWG is led by the Chief Executive Officer and comprises a management team from all of the Group's business units. RMWG manages the identified sustainability issues and report to the Risk Management Committee at the Board level. The Board of Directors provides oversight for the Group's sustainability practices and is kept informed on the progress of sustainability-related matters.</p> <p>The Board of Directors is primarily responsible for the implementation and execution of the Group's sustainability practices and performance, delegating to the RMWG the task of monitoring and assessment of sustainability plans and targets. The Risk Management Committee will set direction and focus to facilitate formulation of strategies for meeting sustainability missions and report to the Board on a half yearly basis or whenever necessary, on the status of sustainability related matters.</p> <p>Details of the Sustainability related matters are set out in the Sustainability Statement in the Annual Report 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		



<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	: Applied.
<b>Explanation on application of the practice</b>	<p>The Company sends out the Sustainability surveys on an annual basis to our stakeholders in the process of prioritizing the key sustainability matters of our Company.</p> <p>Besides, we recognize the importance of engaging with stakeholders given their importance to the Group's performance. Hence, we continue to strengthen engagement with them to ensure good corporate governance and also enable us to understand their needs, interests and motivations more effectively and help us build positive and mutually beneficial long-term relationships that can improve the Group's brand image, reputation and business outcome.</p> <p>In communicating sustainability matters to our stakeholders, the Company has been practicing the following methods in its Environmental (E), Social (S) and Governance (G) ("ESG") engagement: -</p> <ul style="list-style-type: none"><li>• Publishing the sustainability strategies on the Company's corporate website;</li><li>• Annual/ periodic communication as summarized in the Sustainability Statement disclosed in the Annual Report 2023;</li><li>• Conducting sustainability survey on an annual basis with our valuable customers, vendors and stakeholders, and thereafter prioritizing the material matters for our Company through the materiality assessment exercise;</li><li>• Ongoing corporate responsibility ("CSR") initiatives and projects</li><li>• Conducting relevant programs/ activities in creation of employees' awareness on the Company's ESG commitments; and</li><li>• Public Statements, media engagement and marketing.</li></ul> <p>Currently, the Company set some common target for certain sustainability initiatives and strategies. These targets are made available and communicated to its external stakeholders through the disclosure in the Sustainability Statement of the Annual Report 2023.</p> <p>Details of the Company's engagement activities are disclosed in the Sustainability Statement of the Annual Report 2023.</p>

<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**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.

<b>Application</b>	:	Applied.	
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors provides oversight for the Group’s sustainability practices and is kept informed on the progress of sustainability-related matters.</p> <p>The implementation and execution of the Group’s sustainability practices and monitoring and assessment of the performance is delegated to the Risk Management Working Group, which is led by the Chief Executive Officer and comprises a management team from all of the Group’s business units. The Risk Management Committee will set direction and focus to facilitate formulation of strategies for meeting sustainability missions and report to the Board on a half yearly basis or whenever necessary, on the status of sustainability related matters.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>An annual evaluation namely Board Evaluation, Board Committee Evaluation and Peer/ Self Evaluation were conducted to assess the effectiveness, performance, composition and independence of the Board. For the year 2023 evaluation, we have added some questions on the Environmental, Social and Governance (ESG) aspects and also sought the Board of directors' opinion on the key macro concerns impacting business.</p> <p>We have also recently included the assessment of the performance of the board and senior management in addressing the material sustainability risks and opportunities in the board evaluation. We will consider including the relevant assessment criteria in the Board evaluation forms and employee appraisal forms for the ensuing years for addressing the Company's risks and opportunities and also the conduct of the Board to stay abreast with the on-going development and understanding of the sustainability issues relevant to the Company and its business.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<i>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.</i>	
<b>Application</b>	: Applied.
<b>Explanation on adoption of the practice</b>	: En Rosland Bin Othman was the Managing Director/CEO of SCIB from 1 October 2019 to 28 June 2023 and Mr. Ku Chong Hong was appointed as the Managing Director/ CEO of SCIB with effect on 28 June 2023.  The Managing Director/CEO is designated to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.  The implementation and execution of the Group's sustainability practices and monitoring and assessment of the performance is delegated to the Risk Management Working Group, which is led by the Chief Executive Officer and comprises a management team from all of the Group's business units.

**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.

<b>Application</b>	:	Applied.	
<b>Explanation on application of the practice</b>	:	<p>The Board through the Remuneration and Nomination Committee (“RNC”) performs an annual review of the Board’s composition to determine if the Board has the appropriate board composition with the right mix of skill sets, knowledge, experience, expertise to facilitate effective function of the Board’s performance.</p> <p>The RNC also ensure that annual re-election of directors is carried out based on result of objective evaluation of the directors.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied.	
<b>Explanation on application of the practice</b>	:	<p>Based on the composition of the Board as at 30 June 2023 and as of LPD, more than half of the Board consist of independent directors, which are in accordance with Paragraph 15.02 of the listing requirements of the Main Market of Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance 2021.</p> <p>The Board's size is appropriate given the scale of the Group's business and operations and the composition well balanced with the right mix of diverse knowledge, skills and attributes constituting an effective Board able to discharge its duties professionally and efficiently.</p> <p>The Committees comprise majority of independent non-executive Directors which are able to provide diverse perspectives and insights supporting the Board to make decision objectively.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### 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.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>As of the Latest Practicable Date ("LPD"), none of the Independent Non-Executive Directors hold office as independent directors for more than nine (9) years under the reporting period.</p> <p>The RNC and the Board are well aware that the tenure of an independent director should not exceed a cumulative term of nine (9) years as recommended by the MCCG. Upon completion of the nine (9) years, an independent director may continue to serve on the Board subject to the director's re-designation as a non-independent director. Prior to attaining the stipulated number of years, the RNC will consider the following and recommend to the Board accordingly:</p> <ul style="list-style-type: none"><li>(a) whether the Independent Director is to continue to serve on the Board, subject to his/her re-designation as a Non-Independent Director; or</li><li>(b) whether shareholders' approval through a two-tier voting process is to be sought to retain him/her as an Independent Director.</li></ul> <p>The Board may provide justifications and seek shareholders' approval in the event there is an intention to retain a director who has served a cumulative term of nine (9) years as an Independent Director.</p> <p>Pursuant to MCCG 2021, the companies are encouraged to adopt MCCG best practices before the required timeframe. In view of this, the Board has decided to have early adoption of this Practice.</p> <p>Upon assessment conducted by the RNC on the tenure of the Independent Directors, identified En Shamsul Anuar Bin Ahamad Ibrahim, who would reach his 9 years tenure period as an independent Director on 17 September 2024 and, recommended En Shamsul Anuar to continue to act as Independent Director until the conclusion of the next annual general meeting ("AGM"), subject to the approval from the shareholders of the Company. Justifications for the retention were set out in the notes to the 47th AGM Notice.</p>

<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**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.*

<b>Application</b>	:	Not adopted
<b>Explanation on adoption of the practice</b>	:	

### 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.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>The Company has in place Remuneration &amp; Nomination Committee which roles include to establish the minimum requirements on the skills, knowledge, expertise, experience, qualifications and other core competencies of a Director and Senior Management and to assess and recommend suitable candidates to the Board based on their capabilities, professionalism, integrity, expertise and experience.</p> <p>Further, the Company also put in place the Fit &amp; Proper policy setting out the criteria for the appointment, re-appointment and/ or re-election of Directors of SCIB and its subsidiaries. This policy will provide guidelines and procedures to ensure each of the Directors has the character, experience, integrity, competence and time to effectively discharge his/ her role as a Director of SCIB and its subsidiaries.</p> <p>Some directors also serve as director of other listed or non-listed companies. Nevertheless, the director will ensure to limit his/her directorship of companies to a number in which he can best devote his / her time and effectiveness.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Board uses various sources for identification of suitable candidates for appointment of director.</p> <p>The Remuneration &amp; Nomination Committee will assess the Board composition to ensure there is a fair mix of knowledge, skills, attributes and core competencies in the Board.</p> <p>The Board will consider the recommendations made by existing board members to meet the skill set requirements of the board which is subject to the assessment of Fit and Proper pursuant to the Company’s policy.</p> <p>However, the Board is also open to external independent source including search firms.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>The performance of retiring Directors who are recommended for re-election at the forthcoming 47th AGM have been assessed through the Board and Board Committee annual evaluation.</p> <p>The profiles of the Directors, including age, nationality, gender, professional qualifications, date of first appointment to the Board, memberships of Board Committee, work experiences and any conflict of interest and information of its shareholdings in the Company are included in the Directors' profile report in the Annual Report 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>The Remuneration and Nomination Committee (“RNC”) is chaired by Datu Haji Abdul Hadi Bin Datuk Abdul Kadir who was the Non-Independent Non- Executive Director from 17 March 2022 to 8 December 2022. Following Datu Haji Abdul Hadi retirement from the Board, En. Shamsul Anuar Bin Ahamad Ibrahim was appointed as the RNC chairman from 22 February 2023 to 2 August 2023. Subsequently, Mr. Liaw Way Gian who is the independent non-executive director of SCIB, was appointed as the Chairman of Remuneration and Nomination Committee with effect from 2 August 2023.</p> <p>The Chairman of the Remuneration and Nomination Committee does not engage in the day-to-day management of the Company.</p> <p>Further, the Remuneration &amp; Nomination Committee comprise of all independent directors.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The board comprises two (2) women directors as of 30 June 2023 which is still less than 30% as specified by the best practices issued by Bursa Malaysia Securities Berhad.</p> <p>The Board views that Board membership is dependent on each candidate's skills, experience, core competencies and other qualities, regardless of gender.</p> <p>However, the Board is in opinion that the appointment of new director or personnel, regardless of gender, shall be made in prudence, in view of fulfilment of certain criteria, objective and merit, and couple with extensive required skills &amp; experience, to ensure that the Group can secure maximum benefit from such appointment.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	During the Financial Year 2023, the Company does not practice any form of gender, ethnicity and age group biasness as all candidates are given fair and equal treatment. The Board believes that there is no detriment to the Company in not adopting a formal gender, ethnicity and age group diversity policy as the Company is committed to provide fair and equal opportunities and treatments within the Company.	
		The Board opined that the appointment of director or management should be based on objective criteria, merit and consideration of diversity in skills, experience and other qualities.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

### Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied.
<b>Explanation on application of the practice</b>	: An annual evaluation namely Board Evaluation, Board Committee Evaluation and Peer/ Self Evaluation was conducted to assess the effectiveness, performance, composition and independence of the Board.  For year 2023, the assessment of individual directors was conducted on 13 January 2023. Due to the significant change in the Boardroom, another Board evaluation was conducted on 30 September 2023 to assess the re-election of new directors. The evaluation is especially important in deciding whether a director who is subject to re-election can be recommended accordingly at the next AGM.  Based on the results of the assessment made, the Board was satisfied with the Board effectiveness, the performance of the Board Committees and individual Directors.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

## 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.

<b>Application</b>	:	Applied.	
<b>Explanation on application of the practice</b>	:	<p>The Board upon recommendation by the Remuneration and Nomination Committee will recommend fees and other benefits of directors for shareholders' approval at the annual general meeting. The information about the remuneration and nomination committee's roles and responsibilities are in the Terms of Reference of the Remuneration &amp; Nomination Committee available on the Company's website.</p> <p>The Board upon recommendation by the Remuneration and Nomination Committee also review and approve the remuneration package of the senior management based on the performance and market practice.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>The Terms of Reference of the Remuneration Committee is published in the Company's website.</p> <p>The terms of reference of the Remuneration &amp; Nomination Committee are reviewed prior to recommendation to the Board for approval.</p> <p>The Remuneration and Nomination Committee carries out the annual review of the overall remuneration for Directors and key Senior Management Officers whereupon recommendations are submitted to the Board for approval.</p> <p>The Remuneration and Nomination Committee and the Board ensure that the Company's remuneration policy remains supportive of its corporate objectives and is aligned with the interest of shareholders, and further that the remuneration packages of Directors and key Senior Management Officers are sufficiently attractive to draw in and to retain persons of high caliber.</p> <p>The Remuneration and Nomination Committee reviews annually the performance of the Executive Directors and submits recommendations to the Board on specific adjustments in remuneration and/or reward payments that reflect their respective contributions for the year, and which are competitive and are in tandem with the Company's corporate objectives, culture and strategy.</p> <p>The Board as a whole determines the remuneration of Non-Executive Directors, and each individual Director abstains from the Board decision on his own remuneration.</p>

	The Remuneration and Nomination Committee had also reviewed the Board Members' directorships in companies other than SCIB; the number of directorships held are well within the restriction of not more than five (5) directorships in public listed companies as stated in the Main Market Listing Requirements of BMSB.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	The remuneration of the Individual directors of the Company comprises of fees and meeting allowances for the financial year ended 30 June 2023 was disclosed on named basis in the Annual Report 2023 of the Company under the Corporate Governance Overview Statement.

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
<b>EXECUTIVE DIRECTOR</b>																
1	Abang Abdillah Izzarim bin Datuk Patinggi Tan Sri Abang Hj Abdul Rahman Zohari	Executive Director	600	-	-	-	-	-	600	600	-	-	-	-	-	600
2	Ku Chong Hong	Executive Director	36,000	-	286,000	-	-	59,205	381,205	36,000	-	286,000	-	-	59,205	381,205
3	Chin Choon Wei	Executive Director	300	-	-	-	-	-	300	300	-	-	-	-	-	300
<b>NON-EXECUTIVE DIRECTOR</b>																
4	Encik Shamsul Anuar Bin Ahamad Ibrahim	Independent Director	59,700	-	-	-	-	21,300	81,000	59,700	-	-	-	-	21,300	81,000
5	Encik Sr. Mohd Nazri Bin Mat Noor	Independent Director	36,000	-	-	-	-	7,500	43,500	36,000	-	-	-	-	7,500	43,500
6	Toh Beng Suan	Independent Director	3,677	-	-	-	-	-	3,677	3,677	-	-	-	-	-	3,677
7	Kang Wei Luen	Independent Director	300	-	-	-	-	-	300	300	-	-	-	-	-	300

8	Liaw Way Gian	Independent Director	300	-	-	-	-	-	300	300	-	-	-	-	-	300
9	Dang Nguk Ling	Independent Director	300	-	-	-	-	-	300	300	-	-	-	-	-	300
<b>Resigned Directors</b>																
1	Encik Rosland Bin Othman	Executive Director	35,700	-	686,076	-	-	226,732	948,508	35,700	-	686,076	-	-	226,732	948,508
2	Noor Azri Bin Dato' Sri Noor Azerai	Independent Director	35,500	-	-	-	-	14,600	50,100	35,500	-	-	-	-	14,600	50,100
3	Nuraiman bin Shaiful Anuar	Independent Director	29,500	-	-	-	-	4,500	34,000	29,500	-	-	-	-	4,500	34,000
4	Mohd Shakir bin Shahimi	Independent Director	29,500	-	-	-	-	18,100	47,600	29,500	-	-	-	-	18,100	47,600
5	YBhg. Dato' Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah	Non-Executive Non-Independent Director	27,000	-	-	-	-	3,600	30,600	27,000	-	-	-	-	3,600	30,600
6	YBhg. Datu Haji Abdul Hadi Bin Datuk Abdul Kadir	Non-Executive Non-Independent Director	15,000	-	-	-	-	8,700	23,700	15,000	-	-	-	-	8,700	23,700
7	YBhg. Datu Haji Soedirman Bin Haji Aini	Independent Director	12,000	-	-	-	-	3,600	15,600	12,000	-	-	-	-	3,600	15,600
<b>Total</b>			<b>321,377</b>		<b>972,076</b>			<b>367,837</b>	<b>1,661,290</b>	<b>321,377</b>		<b>972,076</b>			<b>367,837</b>	<b>1,661,290</b>



### 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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Company opts not to disclose the top five Senior Management's remuneration comprises salary, bonus, benefit in kind and other emoluments as it is not in the best interest of the company and the senior management.</p> <p>In addition, the Company opts not to disclose the components of the remuneration of the top five Senior Management, by virtue that the information is subject to the Personal Data Protection Act ("PDPA"), 2010, that requires written consent from the respective Senior Management personnel for disclosure of their personal data to the public at large.</p> <p>The Board is of the view that the disclosure of senior management remuneration in the Audited Financial Statements are sufficient.</p> <p>The Company intend to hire the best talents in Malaysia and must ensure its remunerations remain competitive and aligned to the performance and attributes of employee. Disclosing of salary of senior management on named-basis will affect the competitiveness of the Company.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Applied.	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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The Company opts not to disclose the components of the remuneration of each member of the Senior Management, by virtue that the information is subject to the Personal Data Protection Act ("PDPA"), 2010, that requires written consent from the respective Senior Management personnel for disclosure of their personal data to the public at large.</p> <p>The Board is of the view that the disclosure of senior management remuneration in the Audited Financial Statements are sufficient.</p> <p>The Company intend to hire the best talents in Malaysia and must ensure its remunerations remain competitive and aligned to the performance and attributes of employee. Disclosing of salary of senior management on named-basis will affect the competitiveness of the Company.</p>

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.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the Audit Committee for the financial year ended 30 June 2023 are Mr Ku Chong Hong (From 17 March 2022 to 15 September 2022) and En Mohd Shakir Bin Shahimi (From 15 September 2022 to 26 June 2023). Subsequently, Mr Kang Wei Luen was appointed as the Chairman of Audit Committee with effect from 2 August 2023.</p> <p>The previous and current appointed Chairman of the Audit Committee are not the Chairman of the Board.</p> <p>All the Audit Committee members are independent non-executive directors. The Audit Committee comprises of at least one member of the Malaysian Institute of Accountants ("MIA").</p> <p>The Audit Committee is governed by the Audit Committee Terms of Reference which states the roles and responsibilities of the Audit Committee.</p> <p>Roles of the Audit Committee include reviewing of the quarterly and annual financial statements of the Company and the Group for recommendation to the Board of Directors for approval, focusing particularly on:</p> <ul style="list-style-type: none"><li>i) Changes in or implementation of new accounting policies and practices;</li><li>ii) Significant adjustments arising from the audit;</li><li>iii) The going concern assumption; and</li><li>iv) Compliance with the applicable approved accounting standards and other legal and regulatory requirements.</li></ul> <p>The details of the roles and responsibilities and activities of the Audit Committee are stipulated in the statement of Risk Management and Internal Control and the Audit Committee Report respectively in the Annual Report 2023.</p>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

**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.

<b>Application</b>	:	Applied.	
<b>Explanation on application of the practice</b>	:	None of the Audit Committee ("AC") member were from former audit partner. The Policies that require a former key audit partners to observe a cooling-off period of at least two years before appointed as a member of the Audit Committee is stated in the Terms of Reference of the Remuneration and Nomination Committee.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied.	
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee has in place policies and procedures to review and assess the appointment or re-appointment of the external auditors in respect of their suitability, objectivity and independence.</p> <p>In relation to this, the Audit Committee noted the assurance provided by the external auditors confirming their independence throughout the financial year under review.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### 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.

<b>Application</b>	:	Applied.
<b>Explanation on adoption of the practice</b>	:	The RNC comprises three (3) Non-Executive Directors, all of whom are independent.

### 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.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>The new Directors has been appointed on the 28 June 2023 and the new Audit Committee Members has been appointed on the 2 August 2023. Following this date, there is no applicable training information to report.</p> <p>The members of Audit Committee are financially literate i.e. have the ability to read and understand fundamental financial statements, including a Group's balance sheet, income statement, statement of cash flow and key performance indicators.</p> <p>The qualification and experience of the individual Audit Committee members are disclosed in the Director's Profile in the Annual Report 2023.</p>

<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### 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.

<b>Application</b>	: Applied.
<b>Explanation on application of the practice</b>	<p>The Board established effective Risk Management Committee which meet at least four (4) times a year and is governed by the Terms of Reference of the Risk Management Committee.</p> <p>The primary roles and responsibilities of Risk Management Committee are as follows:</p> <ol style="list-style-type: none"> <li>1) To identify, analyze, assess, treat and monitor the principal risks of SCIB Group;</li> <li>2) To continuously review the risk management practices of SCIB Group;</li> <li>3) To advise the management on the resources and internal controls required to manage risk;</li> <li>4) Obtaining the Board of Directors' approval for the SCIB Group risk management reviews and plans; and</li> <li>5) The Audit Committee will also review the adequacy and effectiveness of risk management, internal control and governance systems instituted in the Company and the Group.</li> </ol> <p>The Remuneration and Nomination Committee will assess the effectiveness and performance of the Risk Management Committee annually.</p>
<b>Explanation for departure</b>	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:

<b>Timeframe</b>	:		
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**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.

<b>Application</b>	:	Applied.	
<b>Explanation on application of the practice</b>	:	Further information on risk management framework and internal control are disclosed in the Statement of Risk Management and Internal Control of Annual Report 2023.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied.
<b>Explanation on adoption of the practice</b>	:	<p>The Board established effective Risk Management Committee which meet at least four (4) times a year and is governed by the Terms of Reference of the Risk Management Committee.</p> <p>The Risk Management Committee comprises of all independent directors who will oversee the Company's risk management framework and policies.</p>

**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.

<b>Application</b>	:	Applied.	
<b>Explanation on application of the practice</b>	:	The Company has appointed Salihin Consulting Group to undertake the internal audit function.  Applied and details disclosed in the Audit Committee Report in the Annual Report 2023.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## 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.

<b>Application</b>	: Applied.
<b>Explanation on application of the practice</b>	<p>The Company had since 27 August 2020 outsourced its internal audit function activities to SALIHIN Consulting Group Sdn. Bhd. (“SALIHIN”) who shall report directly to the Audit Committee.</p> <p>The role and responsibilities of SALIHIN, the internal auditor are as follows:</p> <ol style="list-style-type: none"><li>i. To assess adequacy, effectiveness and efficiency of internal control system and control activities of the selected auditable areas;</li><li>ii. To ensure that internal policies and procedures are well adhered to and that proper measures are executed to mitigate risks;</li><li>iii. To ensure adequate and effective monitoring, supervision and reporting functions are in place for operations, compliance and governance; and</li><li>iv. To propose for improvement and enhancement of operations, compliance and governance upon noted deficiencies on internal control system.</li></ol> <p>SALIHIN is an independent organization offering a wide range of internal audit service and has a selected team with the right mix of seniority, professional competencies, technical skills and industry knowledge to perform the internal audit function.</p> <p>The Internal audit team is headed by Encik Ahmad Izwan Adnan, the advisory partner who is a member of Malaysian Institute of Accountants (“MIA”), The Institute of Internal Auditors Malaysia (“IIAM”) and Malaysian Institute of Corporate Governance (“MICG”).</p> <p>SALIHIN conduct the internal audit control assurance based on the COSO (The Committee of Sponsoring Organization of the Treadway Commission) framework of an effective internal control system.</p>

	A statement on the Internal Audit Function is disclosed in the Audit Committee Report of the Annual report 2023.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### 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.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>The Company also put in place electronic facility to enable communication with shareholders via its website <a href="http://www.scib.com.my">www.scib.com.my</a>.</p> <p>Shareholders can access to and obtain all information (operational, financial, corporate governance and investor relations aspects) on SCIB Group by accessing this website.</p> <p>All announcements made by the Company and information that are relevant to the shareholders and investors are available in this website.</p> <p>As of Latest Practicable Date ("LPD"); Mr. Kang Wei Luen who is the Independent Director was appointed as the Audit Committee Chairman with effect from 2 August 2023 and identified as the person to whom concerns may be conveyed to.</p> <p>He can be reached at <a href="mailto:scib@scib.com.my">scib@scib.com.my</a>.</p> <p>We organise market briefings on a quarterly basis or when required, allowing us to share our business profile, products, recent developments, and future prospects with research analysts, fund managers, and their sales teams. We also actively engage and update social media platforms on the latest news and developments to drive visibility with our connections via LinkedIn. Media releases relating to receiving Letter of Awards ("LOA") and Corporate Social Responsibility ("CSR") activities are made available to the media whenever necessary for public awareness.</p> <p>Besides, the Annual General Meeting ("AGM") is our principal forum for dialogue with shareholders who are encouraged and given sufficient opportunity to enquire about the Group's activities and prospects as well as communicate their expectations and concerns.</p>
<b>Explanation for departure</b>	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Company is not deemed as Large Company and has yet to adopt an integrated reporting	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>The Notice of Annual General Meeting (“AGM”) will be announced to Bursa Malaysia Securities Berhad and issued to shareholders at least 28 days prior to the AGM to give shareholders ample time to peruse the agenda item in the Notice AGM before attending the AGM.</p> <p>Each item of special business included in the Notice of AGM will be accompanied by an explanatory statement for the proposed resolution to facilitate evaluation of the proposed resolution.</p> <p>The Notice of AGM was published in one (1) nationally circulated newspaper, for wider dissemination, to encourage shareholders’ participation.</p> <p>In addition, the Notice of AGM and Proxy Form which were contained in the Annual Report, was posted on the Company’s website at <a href="http://www.scib.com.my">http://www.scib.com.my</a>.</p> <p>For the forthcoming 47th AGM scheduled on 11 December 2023, the Notice of AGM will be issued to the shareholders of the Company on 31 October 2023, i.e. at least 28 days prior to the AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied.	
<b>Explanation on application of the practice</b>	:	<p>Last year, all of the Seven (7) directors of SCIB at that point in time, attended the 46th AGM held on 8 December 2022.</p> <p>Shareholders are encouraged to put forward their questions on the proposed resolutions tabled at the general meetings.</p> <p>Members of the Board, the external auditors, senior management and/or advisers of the Company are present to facilitate in answering queries raised at the upcoming general meetings.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>The Company had leveraged on technology to facilitate the voting process and remote shareholder's participation at general meetings. In view of the precautions SCIB shall hold its 47<sup>th</sup> AGM via a Live Streaming from the broadcast venue.</p> <p>Shareholders shall register their attendance to the AGM remotely by using the Remote Participation and Voting ("RPV") Facilities provided by Aldpro Corporate Services Sdn Bhd. A shareholder who has appointed a proxy or authorized representative to attend, participate (including posing questions to the Board via real time submission of typed texts) and vote at this AGM via RPV must request his/her proxy to register himself/herself for RPV at <a href="https://scib-agm.digerati.com.my">https://scib-agm.digerati.com.my</a> (Digerati Technologies Sdn. Bhd. in Malaysia) in accordance with the procedures as set out in in the Administrative Guide which are made available on our corporate website.</p> <p>The shareholders will be briefed on the voting procedures by the Poll administrator while the results of the poll will be verified by an Independent Scrutineer.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied.
<b>Explanation on application of the practice</b>	: <p>The Annual General Meeting ("AGM") is the principal forum for dialogue with shareholders who are encouraged and given sufficient opportunity to enquire about the Company's activities and prospects as well as communicate their expectations and concerns.</p> <p>Each item of special business included in the Notice of Annual General Meeting will be accompanied by an explanatory statement for the proposed resolution to facilitate evaluation of the proposed resolution.</p> <p>Shareholders are encouraged to put forward their questions on the proposed resolutions tabled at the general meetings. The Board provides avenue for a question-and-answer session between shareholders and the Board.</p> <p>Members of the Board, the external auditors, Messrs. Kreston John &amp; Gan, senior management and/or advisers of the Company will be present to answer queries raised at the upcoming general meetings.</p>
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

### Intended Outcome

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

### Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b>	: Applied.
<b>Explanation on application of the practice</b>	: The Board had engaged Aldpro Corporate Services Sdn. Bhd. to provide Remote Participation and Voting (“RPV”) Facilities to support meaningful engagement between the board, senior management and shareholder.  Further, shareholder may pose questions to the board via real time submission of typed texts and vote at the AGM via RPV where the voting procedures shall be briefed by the Poll Administrator at the AGM.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  



**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied.
<b>Explanation on application of the practice</b>	: Minutes of the 46 <sup>th</sup> AGM of the Company was published on the Company's website from the date of the meeting. While for the minutes of the 47 <sup>th</sup> AGM, it shall be made available to shareholders no later than 30 business days after the AGM at the corporate website at <a href="http://www.scib.com.my">www.scib.com.my</a>
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

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

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

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