

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0225
COMPANY NAME : SOUTHERN CABLE GROUP BERHAD (“SOUTHERN CABLE”
OR “THE COMPANY”)
FINANCIAL YEAR : December 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors of Southern Cable ("Board") is collectively responsible for the leadership, oversight, and securing the long-term success of Southern Cable and its subsidiaries ("Southern Cable Group" or the "Group"). Their role involves leading the Group towards the achievement of sustainable value for its stakeholders, coupled with a commitment to high-level governance practices. The Board members shall exhibit exemplary stewardship, professionalism, and adherence to the Group's core values, all while observing their fiduciary duties and responsibilities.</p> <p>Additionally, the Board is tasked to ensure that the Management upholds an effective system of governance and internal controls, which expected to ensure operations are conducted both effectively and efficiently, maintain internal control standards, and adhere to all pertinent laws and regulations.</p> <p>The Board assumes, amongst others, the following responsibilities:-</p> <ul style="list-style-type: none">• Overseeing the conduct and sustainability of the businesses of the Group, assuming the responsibility for succession planning.• Reviewing, adopting and approving the Group's overall strategic direction, business plans, key operational initiatives, annual budgets, major acquisitions, disposal of undertakings, capital commitments and funding decisions.• Establishing key performance indicators and ensuring that Senior Management has the necessary skills and experience for the orderly succession of Board and Senior Management.• maintaining a sound system of internal control to safeguard shareholders' investments and the Company's assets and reviewing the adequacy and integrity of the system.

	<ul style="list-style-type: none"> • Overseeing the development and implementation of the shareholders’ communications policy for the Company. • Assess the training needs of the Directors and ensure Directors have access to a continuing education programme. • Responsible for the quality and completeness of the financial statements of the Group and ensuring that they are prepared based on the appropriate and consistently applied accounting policies. • Ensure that the general meetings of the Company are conducted efficiently and serve as a mode of shareholders' communication. <p>In discharging its fiduciary duties and leadership functions, the Board is guided by the Board Charter which set out the principles and guidelines that are to be applied by the Board. The Board has also established a Code of Ethics and Conduct which serves as an internal frame of reference for the Directors and employees of the Group in the conduct of their daily activities. The Code of Ethics and Conduct is incorporated in the Board Charter of the Company.</p> <p>The Board has also delegated day-to-day management of the Group to the Executive Directors, and Management. For effective function of the Board, the Board has delegated specific responsibilities to the following Board Committees within their respective Terms of Reference (“TOR”):-</p> <ol style="list-style-type: none"> a. Audit and Risk Management Committee (“ARMC”); and b. Nomination and Remuneration Committee (“NRC”). <p>The Board Charter and TOR of the respective committees are available on the Company’s corporate website at www.southerncable.com.my.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman of the Board, Mr. Rizvi Bin Abd Halim (“Mr. Rizvi”) is our Independent Non-Executive Chairman. He is primarily responsible for the leadership, effectiveness, conduct and governance of the Board. The Chairman is committed to good corporate governance practices and has been leading the Board towards high performing culture.</p> <p>The Board Charter is available on the Company’s corporate website at www.southerncable.com.my.</p> <p>Mr. Rizvi will continue to instil good corporate governance practices, leadership and effectiveness of the Board. The full profile of Mr. Rizvi is in the Board of Directors’ Profile of the Annual Report.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of the Chairman and the MD are held by separate individuals and each has a clear accepted division of responsibilities to ensure there is a balance of power and authority to promote accountability so that no one individual has unfettered decision-making powers.</p> <p>The Chairman of the Board is Mr. Rizvi and the MD of the Group is Mr. Tung Eng Hai. The Chairman and the MD are not related to each other.</p> <p>The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board while the MD has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The MD is accountable to the Board for the overall organisation, management, and staffing of the Group and for the procedures in financial and other matters, including conduct and discipline.</p> <p>The respective roles and responsibilities of the Chairman and MD are as set out in the Board Charter. The Board Charter is available on the Company's corporate website at www.southernable.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Departure
Explanation on application of the practice :	
Explanation for departure :	Mr. Rizvi, the Chairman of the Board has resigned as a member of the ARMC and NRC on 24 August 2023 in compliance with this practice. Subsequent to his resignation as a member of ARMC and NRC, he was not invited to attend the ARMC and NRC Meetings, nor involved in the decision-making process for proposals and issues put forward for approval during those meetings.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group is currently outsourcing the corporate secretarial function to Cospec Management Services Sdn. Bhd.</p> <p>The Board is supported by two (2) qualified and experienced Company Secretaries who are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 ("Act") and also are registered holders of the Practising Certificate issued by the Companies Commission of Malaysia. The new joint Secretary was appointed by the Board on 10 May 2023 for better management of the Company's secretarial and administrative duties.</p> <p>The Board acknowledges that the Company Secretaries play an important role and will ensure that the Company Secretaries fulfil the functions for which they have been appointed.</p> <p>The Company Secretaries play an important role in facilitating the overall compliance with the Act, Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant laws and regulations. The Company Secretaries also assists the Board and Board Committees to function effectively and in accordance with their TOR and best practices and ensure adherence to the existing Board policies and procedures. In order to discharge the roles effectively, the Company Secretaries have been continuously attending the necessary training programmes, conferences, seminars and/or forums to keep themselves abreast with the latest developments in the corporate governance realm and changes in regulatory requirements that are relevant to their profession and enable them to provide the necessary advisory role to the Board.</p> <p>The Board has direct access to the professional advice and services of the Company Secretaries and their team when performing their duties and discharging their responsibilities</p> <p>The Company Secretary had on 24 August 2023 briefed the Board on the recent amendments to the Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest, and Other Amendments for the financial year ended 31 December 2023 ("FYE 2023").</p>

	<p>During the financial year under review, all Board and Board Committees meetings were properly convened, accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.</p> <p>Overall, the Board is satisfied with the performance and support rendered by the Company Secretary and her team to the Board in the discharge of her duties and functions.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>To facilitate the Directors' time planning, an annual meeting calendar is prepared in advance of each new year by the Company Secretaries. The calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees as well as the annual general meeting ("AGM"). The closed periods for dealings in securities by Directors and principal officers based on the scheduled dates of meetings for making announcements of the Company's quarterly results were also provided therein.</p> <p>The notices of the Board and Board Committees meetings together with the meeting papers are generally furnished to the Board members within five (5) working days prior to the dates of meetings. This is to ensure that the Directors have sufficient preparation time and information to make an informed decision at each meeting.</p> <p>The deliberations and conclusions of matters discussed in the Board or Board Committees meetings are duly recorded in the minutes of meetings. The draft minutes are circulated for the Board or Committee Chairman's review within a reasonable timeframe after the meetings. The minutes of meetings accurately captured the deliberations and decisions of the Board and/or the Board Committees, including whether any Director abstains from voting or deliberating on a particular matter.</p> <p>All the records of proceedings and resolutions passed are kept at the registered office of the Company.</p> <p>For matters which require the Board's decision on an urgent basis outside of Board Meetings, board papers along with Directors' Written Resolution will be circulated for the Board's consideration. All written resolutions approved by the Board will be tabled for notation at the next Board Meeting.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has formalised and adopted a Board Charter. The Board Charter serves as a primary reference for prospective and existing Board members regarding their fiduciary duties as Directors and the functions of the Board Committees.</p> <p>The Board Charter is subject to periodic review and will be updated as and when necessary to ensure it remains consistent with the Group's policies and procedures, the Board's overall responsibilities as well as changes to legislation and regulations.</p> <p>The Board Charter is available on the Company's corporate website at www.southerncable.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Code of Ethics and Conduct which forms part of the Board Charter is observed by all Directors, management and employees of the Group is available on the Company's corporate website at www.southerncable.com.my.</p> <p>The Board adhered strictly to the Code of Ethics and Conduct for the Directors, in discharging its oversight role effectively. The Code of Ethics and Conduct requires all Directors, management and employees of the Group to observe high ethical business standards and apply these values to all aspects of the Group's business and professional practice and act in good faith in the best interests of the Group and its shareholders.</p> <p>The Board will review the Code of Ethics and Conduct from time to time to ensure that it continues to remain relevant and appropriate.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had adopted a Whistle Blowing Policy to provide a defined avenue and accessible reporting channels for all Directors, employees, shareholders and any third parties associated with the Group to raise concerns or disclose any improper conduct within the Group.</p> <p>The Board will review and update the Whistle Blowing Policy at least once every three (3) years to ensure its effectiveness and consistency with the governing legislation and regulatory requirements.</p> <p>The Whistle Blowing Policy is available on the Company's corporate website at www.southerncable.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledged that sustainable development is important to the business and business operation of the Group which influences the approach of the Group operating its business by embracing better practices that are sustainable to realise the Group's Economic, Environmental and Social ("EES") development agenda.</p> <p>The Board together with the Management takes responsibility for the governance of sustainability in the Company. The Board is to determine the sustainability strategy and provides oversight of the corporate sustainability policies and performance and the Management oversees the implementation of the Company's sustainability approach and ensures that key targets are being met.</p> <p>As part of the efforts in promoting and building sustainability momentum within the Group, the Management had undertaken the following measures:-</p> <ul style="list-style-type: none">• strengthen the financial and deliver sustainable returns to the stakeholders.• mitigating any negative environment impact and conserve the surrounding environment.• foster a robust, diverse and capable workforce, and create a safe workplace. <p>In addition, the ARMC is also empowered to assist the Board in overseeing the Company's sustainability implementation and reporting, rooted in Environmental, Social and Governance pillars. This responsibility has been incorporated into the TOR of ARMC as well.</p>
Explanation for departure	:	

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

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board believes that solid alliances with stakeholders have enabled the Company to grow from strength to strength, and it is key in driving the sustainability of the Company with regular engagement, communication and obtaining feedbacks and/or opinions from the stakeholders.</p> <p>The Company has engaged with stakeholders in a variety of ways which had been done at both the business units and group levels through formal and informal activities. The collective opinions and insights from the stakeholders help the Board make informed decisions while aligning the stakeholders’ expectations with the Company’s sustainability priorities and business approach.</p> <p>Details pertaining to the stakeholders’ engagement are available in the Sustainability Report in the Annual Report for FYE 2023 (“Annual Report 2023”).</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board through the NRC assessed the training programmes attended by each Director during the financial year to ensure they stay abreast with the latest developments in the industry as well as the sustainability issues relevant to the Group, including factors that are driving climate change, sustainable finance and achieving a sustainable business model.</p> <p>The key training programmes attended by each Director in the FYE 2023 are set out in the Corporate Governance Overview Statement of Annual Report 2023.</p> <p>The Company Secretaries regularly updates the Board on the changes of the Listing Requirements and/or other regulatory requirements upon receiving the circulars from Bursa Securities and/or other regulators, which are relevant to the Company and provides advice on corporate disclosures and compliance issues.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 Management have performed their respective roles in addressing material sustainability risks and opportunities. The performance evaluation of the Board in addressing the Group's strategic and business plans which promote sustainability materials matters was evaluated through the annual Board's effectiveness evaluation for the FYE 2023. The Board and Management collectively address the Company's material matters and its inherent risks and opportunities, while at the same time addressing it through appropriate mitigating measures, to ensure the Company continues to generate healthy returns for its shareholders.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC oversees the overall composition of the Board in terms of size, a mix of skills, experience and core competencies, as well as the balance between Executive Directors and Independent Non-Executive Directors.</p> <p>The effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board and the contribution of the Board's various committees will be assessed on an annual basis.</p> <p>The Board is fully aware that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years as recommended by the MCCG. However, if the Board intends to retain a Director who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting. During the FYE 2023, none of our Directors has served the Board as an Independent Director of the Company for a cumulative term of more than nine (9) years.</p> <p>The annual re-election of retiring Directors has been contingent on a satisfactory evaluation of the retiring Directors' performance and contribution to the Board.</p> <p>In addition, the Directors' Fit and Proper Policy serves as a guide to NRC and the Board for the appointment and re-election of Directors of the Group. The Directors' Fit and Proper Policy is published on the Company's corporate website at www.southerncable.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
------------------	---	--	--

Intended Outcome

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	:	<p>The current Board consists of eight (8) members, comprising one (1) Managing Director, one (1) Executive Director, four (4) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors, as set out in the table below:</p> <table border="1"><thead><tr><th>Name</th><th>Designation</th></tr></thead><tbody><tr><td>Rizvi Bin Abd Halim</td><td>Independent Non-Executive Chairman</td></tr><tr><td>Tung Eng Hai</td><td>Managing Director</td></tr><tr><td>Wong Meng Kee</td><td>Executive Director</td></tr><tr><td>Wong Kar Wai</td><td>Non-Independent Non-Executive Director</td></tr><tr><td>Fawiza Binti Faiz</td><td>Non-Independent Non-Executive Director</td></tr><tr><td>Eugene Lee Cheng Hoe</td><td>Independent Non-Executive Director</td></tr><tr><td>Daphne Choy Gaik Choo</td><td>Independent Non-Executive Director</td></tr><tr><td>Loh Aye Li</td><td>Independent Non-Executive Director</td></tr></tbody></table> <p>The present composition of the Board complies with Rule 15.02 of the Listing Requirements of Bursa Securities and Practice 5.2 of the MCGG as half (50%) of the Board comprises Independent Directors. All the Independent Directors are satisfied with the independence test under the Listing Requirements of Bursa Securities.</p> <p>The presence of Independent Directors ensures that views, consideration, judgment and discretion exercised by the Board in decision making remain objective and independent whilst assuring the interest of other parties such as minority shareholders are fully addressed and adequately protected as well as being accorded with due consideration.</p>	Name	Designation	Rizvi Bin Abd Halim	Independent Non-Executive Chairman	Tung Eng Hai	Managing Director	Wong Meng Kee	Executive Director	Wong Kar Wai	Non-Independent Non-Executive Director	Fawiza Binti Faiz	Non-Independent Non-Executive Director	Eugene Lee Cheng Hoe	Independent Non-Executive Director	Daphne Choy Gaik Choo	Independent Non-Executive Director	Loh Aye Li	Independent Non-Executive Director
Name	Designation																			
Rizvi Bin Abd Halim	Independent Non-Executive Chairman																			
Tung Eng Hai	Managing Director																			
Wong Meng Kee	Executive Director																			
Wong Kar Wai	Non-Independent Non-Executive Director																			
Fawiza Binti Faiz	Non-Independent Non-Executive Director																			
Eugene Lee Cheng Hoe	Independent Non-Executive Director																			
Daphne Choy Gaik Choo	Independent Non-Executive Director																			
Loh Aye Li	Independent Non-Executive Director																			
Explanation for departure	:																			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>																				
Measure	:																			
Timeframe	:																			

Intended Outcome

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

Practice 5.3

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	:	There are no Independent Directors serving the Board beyond 9 years.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of appointing Board and senior management based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.</p> <p>The NRC is responsible for leading the process for the nomination of new candidates for appointment and making the necessary recommendations.</p> <p>In line with the best practices of the MCCG and the gained attention of boardroom diversity as an important element of a well-functioned corporation, the Board shall through the NRC accord due consideration to inculcate diversity policy in the boardroom and workplace which encapsulates not only to gender but also age and ethnicity.</p> <p>The TOR of the NRC is available on the Company's corporate website at www.southerncable.com.my.</p> <p>More women's representation on the Board and Senior Management will be taken into consideration if and when vacancies arise and when suitable candidates are identified, underpinned by the overriding primary aims of selecting the best candidate to support the achievement of the Company's strategic objectives based on criteria, merit and with due regard for diversity in skills and experience.</p> <p>The Board had adopted the Directors' Fit and Proper Policy to ensure a transparent and rigorous process for the appointment and re-election of Directors of the Group. This Policy is accessible on the Company's corporate website, www.southerncable.com.my.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The primary responsibility of screening, evaluating and nominating new Board member(s) for an appointment is delegated to the NRC.</p> <p>The members of the Board are to be appointed in a formal and transparent practice as endorsed by the MCCG. The NRC will scrutinise the candidates and recommend the same for the Board's approval. The NRC uses a variety of sources for the identification of suitable candidates.</p> <p>The NRC is open to referrals from external sources available, such as industry acquaintances, contacts in related industries, consultants, etc to gain access to a wide pool of potential candidates besides tapping on the recommendations from existing Board members, Management or major shareholders. Shortlisted candidates would be required to furnish their curriculum vitae containing information on their academic/professional qualification, work experience, employment history and experience (if any) as directors of listed companies.</p> <p>The NRC will perform an annual review of the required mix of skills and experience and other qualities including core competencies that Directors should bring to the Board and assess the effectiveness of the Board as a whole, as well as, look into succession planning, boardroom and gender diversity to ensure the effectiveness of the Board.</p> <p>The policies and procedures for the recruitment and appointment of Directors are guided by the Terms of Reference of the NRC.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>The performance of retiring Directors recommended for re-election at the Fourth AGM ("4th AGM") has been assessed through the NRC annual evaluation (including the independence of the Independent Non-Executive Director) and recommended to the Board for approval.</p> <p>The profiles of the Directors who were due for retirement and offered themselves for re-election, which included the nature of interest with the Company, whichever applicable, were set out in the Annual Report 2023 of the Company.</p> <p>Whilst for the retiring Directors for the forthcoming Fifth AGM ("5th AGM"), a statement by the Board and NRC being satisfied with the performance and effectiveness of the retiring Directors who offered themselves for re-election at the forthcoming 5th AGM was stated in the notes accompanying the Notice of 5th AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The NRC is chaired by Ms. Daphne Choy Gaik Choo, who is an Independent Non-Executive Director of the Company. The details and/or profile of the Chairperson is disclosed in the Annual Report 2023.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	During the financial year under review, the Board comprises eight (8) Directors, three (3) out of eight (8) of whom are women, which represents 37.50% of the Board composition.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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	:	<p>The Board had established and adopted a Gender Diversity Policy which provides a framework for the Company to improve its gender diversity at the Board and Senior Management level. The Gender Diversity Policy is available on the Company's corporate website at www.southerncable.com.my.</p> <p>The Company acknowledges the importance to promote gender diversity at the Board and Senior Management level and will actively work towards having more female Directors and Senior Management. However, to avoid any mismatch and ineffective appointment of the female Directors and Senior Management, the Company does not set any specific target for female Directors and Senior Management in this Policy.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>					
Application	: Applied				
Explanation on application of the practice	: <p>The Company has in place a formal process for assessment of the effectiveness of the Board and the Board Committees as a whole and the contribution by each Director, including the independence of the Independent Non-Executive Director to the effectiveness of the Board and Committees, making reference to the guides available and the good corporate governance compliance.</p> <p>The assessment of the Board and Board Committees is performed on a Board review whilst the assessment of the individual Directors is performed on a peer review basis. Each Director is provided with the assessment forms for their completion prior to the meeting. The results of all assessments and comments by the Directors are summarised and deliberated at the NRC meeting and thereafter the NRC's Chairperson will report the results and deliberation to the Board.</p> <p>The annual assessment criteria of the Board and Board Committees and individual Directors were updated to stay aligned with the MCCG practices. The areas covered in the annual assessment criteria of the Board and Board Committees and individual Directors are as follows:-</p> <table border="1"> <thead> <tr> <th>Evaluation</th> <th>Assessment Criteria</th> </tr> </thead> <tbody> <tr> <td>Board and Board Committees as a whole</td> <td> <ul style="list-style-type: none"> • Role of the Chairman and Managing Director • Board balance, size and composition • Board structure and procedures • Relationship of the Board to Management • Quality and supply of information to the Board/Board's Committees • Access to information and advice </td> </tr> </tbody> </table>	Evaluation	Assessment Criteria	Board and Board Committees as a whole	<ul style="list-style-type: none"> • Role of the Chairman and Managing Director • Board balance, size and composition • Board structure and procedures • Relationship of the Board to Management • Quality and supply of information to the Board/Board's Committees • Access to information and advice
Evaluation	Assessment Criteria				
Board and Board Committees as a whole	<ul style="list-style-type: none"> • Role of the Chairman and Managing Director • Board balance, size and composition • Board structure and procedures • Relationship of the Board to Management • Quality and supply of information to the Board/Board's Committees • Access to information and advice 				

		<ul style="list-style-type: none"> • Accountability for financial reporting, internal control and sustainability risk and opportunities • Relation with Auditors/Shareholders/ Investors • Use of Board Committees • Directors' training
	ARMC	<ul style="list-style-type: none"> • Composition and quality • Oversight of the financial reporting process, including internal controls • Understanding the business, including risk and control environment • Access to information and advice • Oversight of audit functions • Compliance with corporate governance • External Auditors • Staying abreast on issues • Report and recommendations
	Executive Directors	<ul style="list-style-type: none"> • Financial • Strategic and sustainability • Conformance and compliance • Business acumen/increasing shareholders' wealth • Succession planning • Personal input to the role
	Non-Executive Directors	<ul style="list-style-type: none"> • Attendance at Board and/or Board Committees' meetings • Adequate preparation for Board and/or Board Committees' meetings • Regular contribution to Board and/or Board Committees' meetings • Personal input to the role
<p>In respect of the annual performance evaluation for the FYE 2023, it was concluded that :-</p> <p>(a) the Board and Board Committees discharged their duties and responsibilities effectively; and</p> <p>(b) each Director continued to perform effectively and demonstrated commitment to his/her role.</p> <p>The Board is satisfied with the current evaluation process. The Board will continue to review the Board's evaluation process as and when necessary to ensure it remains a valuable feedback mechanism for improving the Board's effectiveness.</p>		

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

Intended Outcome

The 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	:	<p>The Board had through the NRC, established formal and transparent Remuneration Policy as a guide for the Board and the NRC to determine the remuneration of Directors and/or Senior Management of the Company, which takes into account the demands, complexities and performance of the Company as well as skills and experience required. The Remuneration Policy is available on the Company's corporate website at www.southern-cable.com.my.</p> <p>The Board, assisted by the NRC, implements the policy and procedures on remuneration, which includes reviewing and recommending the proposed remuneration packages of the Directors of the Company. The NRC is responsible for ensuring that the remuneration packages are benchmarked with industry standards in light of the Group's performance in the industry as well as commensurate with the expected responsibility and contribution by the Directors and link to the strategic objectives of the Group.</p> <p>The Non-Executive Directors will be paid a basic fee as ordinary remuneration and will be paid a sum based on their responsibilities in committees and the Board, their attendance and/or special skills and expertise they bring to the Board. The fee shall be fixed in sum and not by a commission on or percentage of profits or turnover.</p> <p>Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied								
Explanation on application of the practice	:	<p>The NRC comprises solely of Independent Non-Executive Directors and its composition is as follows:-</p> <table border="1"><thead><tr><th>NRC</th><th>Designation</th></tr></thead><tbody><tr><td>Daphne Choy Gaik Choo</td><td>Independent Non-Executive Director</td></tr><tr><td>Eugene Lee Cheng Hoe</td><td>Independent Non-Executive Director</td></tr><tr><td>Loh Aye Li</td><td>Independent Non-Executive Director</td></tr></tbody></table> <p>The NRC is principally responsible for the development and review of the remuneration policy and packages of Directors, where necessary, and subsequently tables their recommendations to the Board on specific adjustments in remuneration (including fees and benefits) to commensurate the contributions of the Directors.</p> <p>The NRC is also responsible to ensure that the remuneration package (including fees and benefits) of the Board and the Senior Management of the Group are benchmarked with industry standards in light of the Group's performance in the industry.</p> <p>Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.</p> <p>The TOR of NRC is accessible on the Company's corporate website at www.southerncable.com.my.</p>	NRC	Designation	Daphne Choy Gaik Choo	Independent Non-Executive Director	Eugene Lee Cheng Hoe	Independent Non-Executive Director	Loh Aye Li	Independent Non-Executive Director
NRC	Designation									
Daphne Choy Gaik Choo	Independent Non-Executive Director									
Eugene Lee Cheng Hoe	Independent Non-Executive Director									
Loh Aye Li	Independent Non-Executive Director									
Explanation for departure	:									

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

Intended Outcome

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

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	The detailed disclosure on a named basis for the remuneration of individual Directors for the FYE 2023 is set out below and also in the Corporate Governance Overview Statement of the Annual Report 2023.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Rizvi Bin Abd Halim	Independent Director	60	2	-	-	-	-	62	60	2	-	-	-	-	62
2	Tung Eng Hai	Executive Director	-	-	-	-	-	-	-	-	42	1,260	210	28	684	2,224
3	Wong Meng Kee	Executive Director	-	-	-	-	-	-	-	-	24	311	52	4	145	536
4	Fawiza Binti Faiz	Non-Executive Non-Independent Director	6	-	-	-	-	-	6	6	-	75	13	6	12	112
5	Wong Kar Wai	Non-Executive Non-Independent Director	60	2	-	-	-	-	62	60	2	-	-	-	-	62
6	Eugene Lee Cheng Hoe	Independent Director	60	2	-	-	-	-	62	60	2	-	-	-	-	62
7	Daphne Choy Gaik Choo	Independent Director	60	2	-	-	-	-	62	60	2	-	-	-	-	62
8	Loh Aye Li	Independent Director	27	1	-	-	-	-	28	27	1	-	-	-	-	28
9																
10																
11																
12																
13																
14																
15																

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Due to the confidentiality and sensitivity of the remuneration packages of Senior Management as well as security concerns, the Board opts not to disclose the Senior Management's remuneration components on a named basis in the bands of RM50,000.</p> <p>The Board is of the view that the disclosure of the Senior Management's remuneration components on a named basis would not be in the best interest of the Company given the competitive human resources environment that may give rise to recruitment and talent retention issues.</p> <p>The Board is of the opinion that the disclosure of Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000 is adequate.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

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 positions of Chairman of the Board and Chairman of the ARMC are being held by two different persons, both of them are Independent Directors. The Chairman of the Board is Mr. Rizvi Bin Abd Halim while the Chairman of the ARMC is Mr. Eugene Lee Cheng Hoe. This separation of positions is to ensure that the Board's review of the ARMC's findings and recommendations are not impaired.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company recognised the need to uphold the independence of its external auditors and that no possible conflict of interest whatsoever should arise. Currently, ARMC comprises four (4) members and none of the members were former key audit partners of the external auditors appointed by the Company. The Company will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the ARMC was a key audit partner of the external auditors of the Group.</p> <p>The requirement for a former key audit partner of the external audit firm to observe a cooling off period of at least three (3) years before being appointed as a member of the ARMC has been incorporated as part of the Terms of Reference of the ARMC.</p> <p>The TOR of the ARMC is available on the Company's corporate website at www.southerncable.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	<p>The Board had established an External Auditors Assessment Policy which sets out the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability and independence of the External Auditors covering amongst others, the following:-</p> <ul style="list-style-type: none">(a) Calibre of the audit firm;(b) Quality of the audit engagement team;(c) Quality of communication and interaction with the audit team;(d) Audit scope and quality processes;(e) Audit governance and independence; and(f) Audit fee. <p>The External Auditors are precluded from providing any services that may impair their independence or conflict with their role as External Auditors.</p> <p>The ARMC obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>During the FYE 2023, the ARMC had carried out an annual performance assessment of the External Auditors and concluded that the External Auditors were of competence and had provided the necessary quality of service to continue serving the Company and the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
------------------	---	--	--

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The ARMC Chairman, Mr. Eugene Lee Cheng Hoe, is a member of the Malaysian Institute of Accountants and a Certified Practising Accountant with CPA Australia. He is also a Registered Financial Planner under the Malaysian Financial Planning Council.</p> <p>All members of the ARMC have the necessary skills to discharge their duties in accordance with its TOR. The ARMC Chairman and a majority of the ARMC members are financially literate and are able to understand matters under the purview of the ARMC including the financial reporting process.</p> <p>They are expected to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to enable them to sustain their active participation during deliberations.</p> <p>The ARMC members had kept themselves abreast of relevant development in accounting and auditing standards, practices and rules. The details on training programmes, seminars and forums attended by ARMC members in the FYE 2023 are disclosed in the Annual Report 2023.</p> <p>In addition, during the ARMC Meetings, the members were also briefed by the External Auditors on the following:-</p> <ul style="list-style-type: none">(a) Financial Reporting developments;(b) Adoption of Malaysian Financial Reporting Standards; and(c) Other changes in regulatory environment.
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges its responsibility for maintaining a sound system of internal control to safeguard shareholders’ investments and the Company’s assets. The system of internal control covers not only financial controls but operational and compliance controls and risk management.</p> <p>The Board has delegated the responsibility of reviewing the adequacy and effectiveness of the risk management and internal control systems to the ARMC.</p> <p>Details of the Group’s risk management and internal control framework are set out in the Statement on Risk Management and Internal Control of the Annual Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	<p>As part of the Risk Management process, a Risk Management Handbook and Registry of Risk were adopted. The Registry of Risk is maintained to identify principal business risks and key risk areas, their impact, the likelihood of occurrence, risk owner and risk control actions. The Risk Management Handbook summarises risk management methodology, approach, processes, roles and responsibilities. The level of risk tolerance is established and monitored through the use of a risk impact and likelihood matrix where the ratings are assessed in response to changes in the business environment.</p> <p>The Board through ARMC reviewed the Group' internal control function based on the audit reviews carried out by the outsourced Internal Auditors.</p> <p>The ARMC oversees and evaluates the efficacy of internal audit endeavors, verifying that management has taken necessary measures to rectify any identified deficiencies and enhance control processes highlighted by internal auditors. This ensures continual improvement in the system of risk management and internal control.</p> <p>Details of the Group's risk management and internal control framework are set out in the Statement on Risk Management and Internal Control of the Annual Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had established the Internal Auditors Assessment Policy (“IA Assessment Policy”) together with an annual performance evaluation form. The IA Assessment Policy is to outline the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability and independence of the Internal Auditors.</p> <p>The Internal Auditors are precluded from providing any services that may impair their independence or conflict with their role as Internal Auditors.</p> <p>The ARMC obtained assurance from the Internal Auditors confirming that they are, and have been, independent throughout the conduct of the internal audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>The ARMC will carry out an annual performance assessment of the Internal Auditors. The annual evaluation form provides a checklist for the ARMC to carry out a formal review of the independence, effectiveness and efficiency of the Internal Auditors of the Company, among others, the following were some of the criteria reviewed by the ARMC:-</p> <ul style="list-style-type: none">(a) Calibre of the internal audit firm;(b) Quality of the internal audit engagement team;(c) Quality of communication and interaction with the internal auditors;(d) Internal audit scope and quality processes;(e) Audit Governance and independence; and(f) Internal audit fee. <p>The internal audit functions and activities carried out during the FYE 2023 are as disclosed in the ARMC Report of the Annual Report 2023.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function is outsourced to Sterling Business Alignment Consulting Sdn. Bhd. (“Sterling”), a third party professional internal audit service firm which is independent of the operations and activities of the Group. The engagement team from Sterling is free from any relationship or conflict of interest, which could impair their objectivity and independence.</p> <p>The Internal Auditors use the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control system.</p> <p>The Internal Auditors ensures that its staff are professionally guided and trained to develop the appropriate competencies to perform their duties during the internal audit review. The number of audit staff deployed for each internal audit review ranges from 3 to 4 Internal Auditors per visit. The Internal Auditors is a corporate member of the Institute of Internal Auditors Malaysia (IIAM).</p> <p>The internal Auditors make reference to the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.</p> <p>The ARMC was satisfied with the competency, experience and resources of the internal audit function for discharging their roles and responsibilities.</p> <p>Further details of the internal audit activities are disclosed in the ARMC Report and Statement on Risk Management and Internal Control of the Annual Report 2023.</p>
Explanation for departure	:	

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

Intended Outcome

There is 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	:	<p>The Group acknowledges the importance of timely and equal dissemination of material information to shareholders and investors. The Board will ensure that it adheres to the disclosure requirements of Bursa Securities. Through disclosures of appropriate and relevant information, using various channels of communication on a timely basis, the Group provides shareholders and investors with information to fulfil transparency and accountability objectives.</p> <p>Presently, the Board communicates with stakeholders by way of:</p> <ul style="list-style-type: none">(a) the Annual Reports which contains the financial and operational review of the Group's business, corporate information, and financial statements;(b) various announcements made to the Bursa Securities, which include announcements on quarterly results;(c) the Company website at www.southerncable.com.my which provides corporate information about the Company and is accessible to the public. The Investor Relations function enhances the communication with its stakeholders and provides a channel for the stakeholders and general public to direct their enquiries and concerns to the Company; and(d) Shareholders' interaction during the general meetings. <p>Where possible, the Group also provides additional disclosure of information on a voluntary basis. The Group believes that consistently maintaining a high level of disclosure and communication is vital to shareholders and investors in making informed investment decisions.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	<p>The notice of the 4th AGM of the Company held on 26 June 2023 was sent to the shareholders on 28 April 2023, which is more than 28 days prior to the date of the 4th AGM.</p> <p>The notice for convening the 5th AGM of the Company will be issued to the shareholders at least 28 days before the 5th AGM date, which gives shareholders sufficient time to prepare themselves to attend the 5th AGM or to appoint a proxy to attend and vote on their behalf.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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	:	All Directors of the Company attended the 4 th AGM held on 26 June 2023. The Senior Management and External Auditors also attended the 4 th AGM virtually. During the proceedings of the 4 th AGM, the Chairman invited shareholders to raise questions pertaining to the Company's audited financial statements and the other agenda items tabled for approval at the meetings. All questions raised by the shareholders were answered and addressed accordingly. All the Directors of the Company will always endeavour to attend all general meetings and the Chairman of the Board Committees will provide meaningful responses to questions addressed to them.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's 4th AGM on 26 June 2023 was held on a fully virtual and entirely via RPEV facilities.</p> <p>This allows the shareholders to participate in the 4th AGM while at the same time, following the health guidance issued by the Government of Malaysia of not having a mass gathering and practicing social distancing to curb the spread of COVID-19. The conduct of meetings by way of fully virtual is also strongly encouraged by the Securities Commission Malaysia.</p> <p><u>Remote shareholders' participation in General Meetings</u> Shareholders are able to attend, speak (including posing questions to the Company/Board of Directors) and vote remotely at the 4th AGM without being physically present at the meeting venue. Shareholders may also appoint proxies to participate on his/her behalf by submitting the duly executed proxy form to the Company' share registrar in hard copy or by electronic means.</p> <p><u>Voting in absentia</u> For shareholders who are unable to attend the meetings remotely, they may exercise their voting rights by appointing the Chairman of the meeting as his/her proxy with a pre-determined proxy form.</p> <p>Shareholders will be allowed to cast their vote via an online platform from the time of the meeting until the time when the Chairman of the meeting announces the completion of the voting session.</p> <p>The forthcoming 5th AGM will also be held on fully virtual and entirely via RPEV.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Chairman ensures that the general meetings cater to an important opportunity for effective communication with, and constructive feedback from the shareholders.</p> <p>Shareholders were encouraged to submit their questions before the 4th AGM at https://boardroomlimited.my or post the questions using the query box facility during the 4th AGM. In addition, upon commencement of the 4th AGM, the Chairman duly advised the shareholders that they were allowed and encouraged to submit their questions or queries in the query box of RPEV throughout the 4th AGM.</p> <p>The Company facilitates and encourages shareholder participation at its 4th AGM. These meetings provide an update for shareholders on their performance and offer an opportunity for shareholders to ask questions and vote. The Chairman read out and the Directors answered the relevant questions received.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Board has engaged the Company’s Share Registrar, Boardroom Share Registrars Sdn. Bhd. (“BSR”) for Registration and Electronic Poling Services. BSR has a vast amount of experience in conducting a fully virtual meeting. Moreover, efficiency is guaranteed as BSR holds up to date records of the Company shareholders</p> <p>The detailed procedures to participate in the meeting remotely were provided to the shareholders in the Administrative Details of the 4th AGM sent through email and by ordinary post and the same was also published on the Company’s website.</p> <p>BSR has in place a meeting platform that allows shareholders to participate online, using a smartphone, tablet or computer as well as view a live webcast of the meeting.</p> <p>As mentioned above, real time submission of typed texts is also available to encourage interactive participation from the shareholders. The high number of questions answered during the meeting had evidenced a successful virtual 4th AGM with active participation by the shareholders.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:

Timeframe	:		
------------------	---	--	--

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application :	Departure
Explanation on application of the practice :	
Explanation for departure :	The minutes of the 4 th AGM were not circulated to the shareholders, however, the Summary of Key Matters Discussed at the 4 th AGM was published on the Company's corporate website at www.southerncable.com.my .
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

**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.

--