

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is pleased to present this Corporate Governance (“CG”) Overview Statement (“Statement”) to provide the investors with an overview of the CG practices adopted by the Company in achieving the intended outcomes as set out in the MCCG with reference to the three (3) key principles under the stewardship of the Board as follows:-

- a) Principle A: Board leadership and effectiveness;
- b) Principle B: Effective audit and risk management; and
- c) Principle C: Integrity in corporate reporting and meaningful relationships with stakeholders.

On 28 December 2023, the Board of Directors of the Company approved the change of the financial year end of the Company from 31 January 2024 to 31 July 2024 (“FYE 31 July 2024”).

This Statement also serves as compliance with Rule 15.25(1) of the ACE LR and should be read together with the CG Report of the Company for FYE 31 July 2024.

The CG Report is available for viewing on the Company’s corporate website at [www.scestatebuilder.com.my](http://www.scestatebuilder.com.my).

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### I. BOARD RESPONSIBILITIES

#### Intended Outcome 1.0

**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.**

#### 1. Duties and responsibilities of the Board

The Board is responsible for the leadership, oversight and long-term success of the Group.

Certain responsibilities of the Board are delegated to other Board Committees namely, the Audit Committee (“AC”), Nomination Committee (“NC”), Remuneration Committee (“RC”) and Risk Management Committee (“RMC”) to assist the Board in the deliberation of key issues and/or decision making within their TOR.

The Board keeps itself abreast of the key issues and/or decisions made through the reports made by the Chairman of each Committee and Board Committee Minutes of the applicable period.

It is the general policy of the Company that all major decisions be considered by the Board as a whole.

To ensure the effective discharge of its function and duties, the primary responsibilities of the Board include (but are not limited to) the following:-

- a) Promote good governance culture;
- b) Review of Management’s proposals and business/strategic plans;
- c) Oversee of business operations and performance tracking;
- d) Review framework for internal controls and risk management;
- e) Identification of principal risks and implementation of appropriate internal control and mitigation measures;
- f) Succession planning and continuing development;
- g) Procedures for effective communication with stakeholders; and
- h) Ensure integrity of financial and non-financial reporting.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### I. BOARD RESPONSIBILITIES (CONT'D)

##### 2. Key responsibilities of the Chairman

Mr. Loh Boon Ginn is the Chairman of the Board and Managing Director/Chief Executive Officer, and his key responsibilities as a Chairman include but are not limited to the following:-

- a) Demonstrates leadership for the Board in discharging its duties and responsibilities effectively.
- b) Ensures that the Notice of the Board Meeting is issued at least seven (7) days prior to the Meeting, unless consent by all Directors on the shorter notice.
- c) Leads the conduct of the Board Meetings and initiates discussion within the Board. Stimulates participation and sharing of views and ideas from different perspectives by the Directors and ensures all views will be taken into consideration during the decision-making process by the Board.
- d) Acts as the intermediary between the Board and the Management by coordinating smooth communication flow between both parties.
- e) Chairs the company's general meetings and commits to answering queries from the shareholders.
- f) Communicates the views of the stakeholders to the Board as a whole for consideration or improvement, if any.
- g) Leads the Board to ensure compliance with all relevant laws and regulations and, to the best of their effort, promote and implement good governance practices within the organisation.

##### 3. Separation of the position of the Chairman and Managing Director/Chief Executive Officer ("MD/CEO")

The Board is mindful of Mr Loh Boon Ginn's dual role of Chairman and MD/CEO and is of the view that there are sufficient experienced and independent-minded Directors on the Board to provide sufficient checks and balances. This allows for effective management oversight and supports objective and independent deliberation, review, and decision-making.

The Board noted that the combination of the Chairman's and MD/CEO's positions is essential for the commercial environment in which the Group is currently operating. Such a combination of roles renders creditability and confidence to third parties (ies) in the authority of the Chairman and MD for the successful conclusion of commercial deals/transactions.

##### 4. Company Secretaries

The Board is supported by a suitably qualified and competent Company Secretary who is responsible for ensuring that the Company's Constitution, procedures and policies and regulations are complied with.

The Board has unrestricted access to the advice and services of the Company Secretaries in relation to Board policies and procedures, compliance with applicable rules and regulations by the Group and corporate governance-related practices. The Company Secretaries have and will continue to constantly keep themselves abreast on matters concerning company law, the capital market, corporate governance, and other pertinent matters, and with changes in the regulatory environment, through continuous training and industry updates.

The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in discharging its functions.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### I. BOARD RESPONSIBILITIES (CONT'D)

##### 5. Timely circulation of meeting materials

The Board fixes the forthcoming year's annual meeting schedule by the end of every year and upon confirmation by the Board, it will be disseminated to the Management.

The Notice of the scheduled Board Meeting is served to the Directors at least seven (7) days prior to the Board Meeting, unless consent by all the Directors on shorter notice and waiver of notice.

A comprehensive meeting paper comprising background, matters arising, research, analysis, findings/updates, results, presentations, recommendations and any other relevant information are prepared and circulated to the Directors in both hardcopy and electronic form via e-mail, prior to the Board Meeting, to enable the Board to make considerations, deliberations and decisions.

#### **Intended Outcome 2.0**

**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.**

##### 6. Board Charter

In compliance with Practice 2.1 of the MCCG, the Board has a Board Charter outlining the authority, responsibilities, membership, and operation of the Board, adopting principles of good corporate governance and practice, in accordance with applicable laws in Malaysia. The Board Charter entails, inter alia, the following main items:-

- a) Role of Board;
- b) Relationship with Management;
- c) Responsibilities of the Board;
- d) Matters reserved for the Board; and
- e) Structure of the Board

The Board Charter is applicable to all Directors of the Company and, amongst other things, provides that all Directors must avoid conflicts of interest between their private financial activities and their part in the conduct of the Company's business.

The Board Committees in performing their responsibilities delegated by the Board would be guided by the TOR of each of the Committees as approved by the Board.

The Board Charter is to be regularly reviewed by the Board as and when required in order to ensure the Board remains consistent with the Board's objectives and responsibilities and any new regulations that may have an impact on the discharge of the Board's responsibilities, more important, aligning with the Company's business strategy.

The Board Charter is available for viewing under the "Investor Relation" section of the Company's corporate website at [www.scestatebuilder.com.my](http://www.scestatebuilder.com.my).

#### **Intended Outcome 3.0**

**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.**

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### I. BOARD RESPONSIBILITIES (CONT'D)

##### 7. Code of Ethics and Conduct

In compliance with Practice 3.1 of the MCGG, the Board has established a Code of Ethics and Conduct (“the Code”) which sets forth the ethical and professional standards to maintain the highest level of integrity and ethical conduct of the Board, Management and employees of the Group and to provide guidance to ensure that upholding the ethical conduct in the Board and/or employees’ daily work.

The Code of Ethics and Conduct sets out the general principles and standards of business conduct and ethical behaviour for the Directors and employees of the Group in the performance and exercise of their responsibilities or when representing the Group and includes the expectation of professionalism and trustworthiness from the Directors and employees of the Group.

##### Handling of Reported Allegation(s)

The AC is responsible for the interpretation and supervision of the enforcement of the Code. The action to be taken by the Group in response to a report of concern under the Code will depend on the nature of the concern. The AC upon receiving the information on each report of concern shall ensure that follow-up actions are taken accordingly.

The Code is available for viewing under the “Investor Relations” section of the Company’s corporate website at [www.scestatebuilder.com.my](http://www.scestatebuilder.com.my).

##### 8. Whistleblowing Policy

The Board has adopted a Whistleblowing Policy which allows an employee/officer or stakeholder to report or disclose through established channels, the concerns about any violations of the Code, unethical behaviour, and wrongdoings he may observe in the Group.

The AC has been tasked with the review of whistleblowing reports either made through the Company following established communication and feedback channels or through any other means.

The Whistleblowing Policy is available for viewing under the “Investor Relations” section of the Company’s corporate website at [www.scestatebuilder.com.my](http://www.scestatebuilder.com.my).

##### 9. Anti-Bribery and Corruption Policy

The Board on 30 May 2020 adopted an Anti-Bribery and Corruption Policy which provides principles, guidelines and requirements on how to deal with corrupt and bribery practices that may arise in the course of daily business and operation activities within the Group.

The aforesaid Anti-Bribery and Corruption Policy is available at the Company’s corporate website at [www.scestatebuilder.com.my](http://www.scestatebuilder.com.my).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. BOARD COMPOSITION

##### Intended Outcome 4.0

**Board decisions are made objectively in the best interests of the company considering diverse perspectives and insights.**

#### 10. Size and composition of the Board

The Board is comprised of eleven (11) members, including five (5) INEDs, one (1) NIED, four (4) executive directors, and one (1) Chairman of the Board and Managing Director/CEO.

The current Board structure ensures that no individual or group of individuals dominates the Board's decision-making process. The composition of the Board provides an effective blend of entrepreneurship, business, and professional expertise in general management, finance, corporate affairs, legal, and technical areas of the industry in which the Group operates. The individuality and vast experience of the Directors in arriving at collective decisions at the Board level will ensure impartiality.

#### 11. Tenure of Independent Directors

The NC assesses the independence of the INEDs and monitors their tenure annually.

None of the Independent Directors has exceeded a cumulative term of nine (9) years in the Company as at the LPD. At present, the Group does not have a formal policy to limit the tenure of independent directors to nine (9) years. However, the Board is mindful of the recommendation in the MCCG to ensure the effectiveness of Independent Directors.

#### 12. Procedures for appointment of Directors and Senior Management

The NC is responsible for identifying and evaluating potential candidates for Director positions and making recommendations to the Board for their appointment.

To guarantee that the Board has the necessary expertise and composition to achieve its objectives, the NC has established a protocol for Director appointments, which includes the following:

<b>Stage 1</b> <b>Review of the potential candidate based on the following criteria</b>	<b>Stage 2</b> <b>Board Gaps Review</b>	<b>Stage 3</b> <b>Recommendation to the Board</b>
<ul style="list-style-type: none"> <li>• Qualifications;</li> <li>• Skills And Competence;</li> <li>• Functional Knowledge;</li> <li>• Experience;</li> <li>• Character;</li> <li>• Gender Diversity;</li> <li>• Integrity and professionalism; and</li> <li>• Time commitment.</li> </ul>	<ul style="list-style-type: none"> <li>• The Overall Composition of the Board;</li> <li>• Combination of Skills of Existing Directors; and</li> <li>• Any regulatory requirements and/or best practices available.</li> </ul>	<ul style="list-style-type: none"> <li>• Recommendation to be submitted to the Board for consideration and approval.</li> </ul>

Identification of candidates for the appointment of Directors is facilitated through recommendations from the Directors, Management or external parties including the Company's contacts in related industries, finance, legal and accounting professions.

Save for the appointment of Chu Wooi Siong as an Independent Non-Executive Director on 17 March 2023, there was no other new director appointed during FYE 31 July 2024.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. BOARD COMPOSITION (CONT'D)

##### 13. Boardroom Diversity

An appointment to the Board is a long-term commitment to the Company, as a truly diversified Board can enhance its effectiveness and capacity with a diversity of thoughts and perspectives. The Board ensures that there is no discrimination on the basis of, but not limited to, ethnicity, race, age, gender, nationality, political affiliation, religious affiliation, sexual orientation, marital status, education, physical ability or geographic region during the recruitment of new Board members.

As at the date of this Annual Report, the diversity in the race/ethnicity of the existing Directors and Senior Management are as follows:-

	Ethnicity			Age Group				Gender	
	Malay	Chinese	Bumiputera Sabah	21-30	31-40	41-50	61-70	Male	Female
Directors	–	5	2	–	5	2	–	3	4
Senior Management*	–	1	1	–	2	–	–	1	1

Note:

\* Chairman and MD/CEO and Deputy Executive Chairman

Despite the Board not having any formalised Board Diversity Policy or Gender Diversity Policy, the Board has indicated its commitment to boardroom diversity by the appointments with age and gender diversity.

##### 14. Board Committees

The Board has delegated certain responsibilities to the Board Committees to assist in discharging its fiduciary duties. All the Board Committees operate within clearly defined TOR:

###### i. Nomination Committee

Name	Designation	Directorate
Soo Ting Hooi <i>(resigned on 15 November 2024)</i>	Chairman	INED
Chan Wei Xi <i>(resigned on 15 November 2024)</i>	Member	INED
Loo Tze Ming	Member	INED
Josipinna Binti Pudun	Member	INED

The NC is governed by its TOR of NC which outlines its remit, duties and responsibilities and the same is available for viewing under the “Investor Relation” section of the Company’s corporate website at [www.scestatebuilder.com.my](http://www.scestatebuilder.com.my).

###### a) Summary of Works

The following works were undertaken by the NC during FYE 31 July 2024:-

- 1) Reviewed and confirmed the Minutes of the NC meetings;
- 2) Examined the composition of the Board;
- 3) Reviewed the required mix of skills, experience and other qualities of the Board;
- 4) Evaluated the contribution and performance of each individual Director;
- 5) Conducted evaluation to assess the effectiveness of the Board as a whole and the Board Committees;

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. BOARD COMPOSITION (CONT'D)

##### 14. Board Committees (Cont'd)

###### i. Nomination Committee (Cont'd)

###### a) Summary of Works (Cont'd)

The following works were undertaken by the NC during FYE 31 July 2024:- (Cont'd)

- 6) Reviewed the term of office of the AC and assessed its effectiveness as a whole;
- 7) Reviewed the training programmes attended by the Directors in FYE 31 July 2024 and identified the training needs of the Directors for FYE 31 July 2024;
- 8) Reviewed the independence of the INEDs and assessed their ability to bring independent and objective judgement to Board deliberations and proposals.
- 9) Assessed the suitability for the re-election of the Directors who will be retiring at the forthcoming AGM of the Company and recommended the same to the Board for approval;
- 10) Reviewed the meeting attendance of the Board and Board Committees in FYE 31 July 2024 ;
- 11) Evaluated the suitability of the candidate for appointment to the Board and recommended his appointment as Director to the Board for consideration; and
- 12) Reviewed the length of service of each Independent Non-Executive Director pursuant to Practice 4.2 of the Code and assess the independence of the INEDs.

###### b) Time Commitment by Directors

The NC has been tasked to review the meeting attendance of the Board and Board Committees.

The meeting attendance of the Board during FYE 31 July 2024 is as follows:

Name	No. of Board of Directors' Meetings Attended/Held
Loh Boon Ginn	9/9
Loh Shy Tyug	9/9
Loh Shy Ming	9/9
Kuay Jeaneve	9/9
Che Jun Ann ( <i>resigned on 15 November 2024</i> )	9/9
Kuay Jen Nie ( <i>resigned on 15 November 2024</i> )	9/9
Loo Tze Ming	9/9
Soo Ting Hooi ( <i>resigned on 15 November 2024</i> )	9/9
Chan Wei Xi ( <i>resigned on 15 November 2024</i> )	9/9
Josipinna Binti Pudun	9/9
Dato Bijaya Indera Dato' Paduka Haji Syed Unan Mashri ( <i>resigned on 1 July 2024</i> )	2/7
Chu Wooi Siong ( <i>appointed on 17 March 2023</i> )	8/9

The attendance of AC Meetings held during FYE 31 July 2024 is stated in the AC Report in this Annual Report.

The NC meets at least once in each financial year and additional meetings may be arranged at any time when necessary.

Upon review, the NC noted that the Directors have devoted sufficient time and effort to attending Board and/or Board Committee Meetings for FYE 31 July 2024.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. BOARD COMPOSITION (CONT'D)

##### 14. Board Committees (Cont'd)

##### i. Nomination Committee (Cont'd)

##### c) Continuing Education and Training of Directors

In order for the Group to remain competitive, the Board ensures that the Directors continuously enhance their skills and expand their knowledge to meet the challenges of the Board.

The Board has cultivated the following best practices:-

- All newly appointed Directors are required to attend the Mandatory Accreditation Programme (“MAP”) as prescribed by the Listing Requirements within the stipulated timeframe;
- All Directors are encouraged to attend talks, training programmes and seminars to update their knowledge on the latest regulatory and business environment;
- The Directors may be requested to attend additional training courses according to their individual needs as a Director or member of Board Committees on which they serve; and
- The Directors are briefed by the Company Secretaries on the letters issued by Bursa Securities at every Board Meeting.

All members of the Board have attended the MAP prescribed by Bursa Securities.

Based on the needs identified by the NC for the Directors for FYE 31 July 2024, the Directors had participated in the following training programmes:-

Director	Date	Training program
Chu Wooi Siong	13.12.2023	2024 Budget Seminar
	07.12.2023	MIA Blended Learning Series : An Overview of the Malaysian Private Entities Reporting Standard (MPERS) - Practical approach to recognition and measurement principles including updates
	13.07.2023	MIA Webinar Series: Taxation of Deceased Person’s Estate and Trust in Malaysia
	12.06.2023	MIA Webinar Series: Tax Optimisation on Capital & Industrial Building Allowances in 2023
	07.06.2023	MIA Webinar Series : Essential Tax Strategies for Manufacturing and Agricultural Companies - Incentives and Allowances
	31.05.2023	MIA Webinar Series: Tax Implication and Issues on the Withdrawal of Exemption of Foreign Source Income in Malaysia
	30.05.2023	MIA Webinar Series: Tax Compliance Challenges in Recent Finance Acts and the Finance Bill 2023
	29.05.2023	MIA Webinar Series: Transfer Pricing Issues facing MNCs and Public Listed companies



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. BOARD COMPOSITION (CONT'D)

##### 14. Board Committees (Cont'd)

##### i. Nomination Committee (Cont'd)

##### c) Continuing Education and Training of Directors (Cont'd)

Director	Date	Training program
Chu Wooi Siong (Cont'd)	24.05.2023	Procedures, Latest Case Laws, and Director's Liability
	17.05.2023	MIA Blended Learning Series: Advanced Corporate Tax Issues and Strategies - Inclusive of latest tax developments and updates on Budget 2023
	10.04.2023	MIA Webinar Series: All You Need To Know About Personal Income Tax
	31.03.2023	Webinar Series: 2023 Budget Seminar
Loh Shy Ming	08.06.2024	Autocount x CCS : Learning e-invoice
Kuay Jeaneve	10.06.2024	Participation in the ISO 9001 course

Except as mentioned above, the other Directors were unable to participate in any seminars or training programs throughout the financial year due to their demanding work schedules. Nevertheless, they have stayed informed about financial and business matters by engaging in reading and attending meetings, allowing them to effectively contribute to the Board. They understand their duties and responsibilities and are committed to pursuing additional relevant training programs to stay updated on new regulatory developments and requirements in accordance with the AMLR on continuing education.

#### Intended Outcome 5.0

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

##### 15. Annual Assessment on Effectiveness of Board and Individual Directors

In compliance with Practice 5.1 of the MCGG, the Board has delegated to the NC to carry out the annual assessment on the effectiveness of the Board, its committees, and each individual Director.

In FYE 31 July 2024, the Board, through the NC, has conducted the following annual assessments to determine the effectiveness of the Board, its Committees and each individual Director in respect of the FYE 31 July 2024:-

- i. Directors' self and peer's performance evaluation
- ii. Evaluation of the effectiveness of the Board and Committees

##### 16. Annual Assessment on Independence of Directors

The Board, through the NC, carried out an annual assessment of the independence of the INEDs based on the definition in Rule 1.01 of the Listing Requirements and whether the INEDs are able to provide objective and independent views on various issues dealt with at the Board and Board Committee level during FYE 31 July 2024.

The Board is satisfied with the level of independence demonstrated by Independent Directors on their ability to act in the best interest of the Company which is to provide objective and independent views on various issues dealt with at the Board and Board Committee level. The current composition of Independent Directors fairly reflects the interest of minority shareholders in the Company through the Board representation.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. BOARD COMPOSITION (CONT'D)

##### 16. Annual Assessment on Independence of Directors (Cont'd)

###### Intended Outcome 6.0

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.

##### 17. Remuneration Committee

The members of the RC comprise all of INED and the composition of the RC is set out as follows:-

Name	Designation	Directorate
Loo Tze Ming	Chairman	INED
Josipinna Binti Pudun	Member	INED
Chan Wei Xi (resigned on 15 November 2024)	Member	INED
Soo Ting Hooi (resigned on 15 November 2024)	Member	INED

The RC is governed by its TOR of RC which outlines its remit, duties and responsibilities and the same is available for viewing under the "Investor Relations" section of the Company's corporate website at [www.scestatebuilder.com.my](http://www.scestatebuilder.com.my).

##### a) Summary of Works

The following works were undertaken by the RC during the financial year under review:-

- Reviewed and confirmed the Minutes of the RC Meetings;
- Deliberated on the remuneration packages of the Managing Director for FYE 31 July 2024 and recommended the same to the Board for approval;
- Reviewed the Directors' fees payable to the Directors of the Company and the Group for the FYE 31 July 2024 and recommended the same to the Board for consideration;
- Reviewed the benefits payable to the Directors of the Company for the period from the day after the Eighteenth Annual General Meeting of the Company in the year 2024 until the next Annual General Meeting of the Company and recommended the estimated quantum to the Board for consideration; and
- Reviewed the meeting allowances of the Directors of the Company for the FYE 31 July 2024 and recommended the same for the Board for approval.

##### 18. Directors' Remuneration Policy

In compliance with Practice 6.1 of the MCCG, the Board has adopted a Directors' Remuneration Policy which sets out the criteria to be used in recommending a remuneration package that is commensurate with the responsibilities of Executive Directors and Senior Management.

A copy of the updated Directors' Remuneration Policy is available for viewing under the "Investor Relation" section of the Company's corporate website at [www.scestatebuilder.com.my](http://www.scestatebuilder.com.my).

It is the existing practice of the Company that all the Directors abstain from deliberation and voting on fixing their own remuneration package or Directors' fees.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. BOARD COMPOSITION (CONT'D)

##### 18. Directors' Remuneration Policy (Cont'd)

###### Intended Outcome 7.0

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.

##### 19. Remuneration of Directors

For the FYE 31 July 2024, the aggregate of remuneration received and receivable by the Executive Directors and Non-Executive Directors of the Company and the Group categorized into appropriate components are as follows:-

###### Received from the Company

	Salaries	Fees	Benefits-in-kind	Others	Total
<b>Executive Directors</b>					
Loh Boon Ginn	369,197	22,000		508,844	900,041
Kuay Jeaneve	170,100	22,000		37,307	229,407
Chee Jun Ann <i>(resigned on 15 November 2024)</i>		22,000		57,173	79,173
Kuay Jen Nie <i>(resigned on 15 November 2024)</i>		22,000		57,173	79,173
Loh Shy Ming <i>(Re-designated from Non-Independent Non-Executive Director to Non-Independent Executive Director on 30 January 2024)</i>		22,000		57,074	79,074
<b>Non-Executive Directors</b>					
Loh Shy Tyug		22,000		57,074	79,074
Josipinna Binti Pudun		22,000		72,230	94,230
Loo Tze Ming		22,000		57,173	79,173
Soo Ting Hooi <i>(resigned on 15 November 2024)</i>		22,000		56,926	78,926
Chan Wei Xi <i>(resigned on 15 November 2024)</i>		22,000		56,926	78,926
Dato Bijaya Indera Dato' Paduka Haji Syed Unan Mashri <i>(resigned on 1 July 2024)</i>		6,000		41,381	47,381
Chu Wooi Siong		22,000		15,830	37,830
<b>Total</b>	<b>539,297</b>	<b>248,000</b>		<b>1,075,111</b>	<b>1,862,408</b>

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. BOARD COMPOSITION (CONT'D)

##### 19. Remuneration of Directors (Cont'd)

For the FYE 31 July 2024, the aggregate of remuneration received and receivable by the Executive Directors and Non-Executive Directors of the Company and the Group categorized into appropriate components are as follows:- (Cont'd)

##### *Received on Group Basis*

	Salaries	Fees	Benefits-in-kind	Others	Total
<b>Executive Directors</b>					
Loh Boon Ginn	375,196	22,000		513,739	910,935
Kuay Jeaneve	170,100	22,000		37,307	229,407
Chee Jun Ann <i>(resigned on 15 November 2024)</i>		22,000		57,173	79,173
Kuay Jen Nie		22,000		57,173	79,173
Loh Shy Ming <i>(Re-designated from Non-Independent Non-Executive Director to Non-Independent Executive Director on 30 January 2024)</i>		22,000		57,074	79,074
<b>Non-Executive Directors</b>					
Loh Shy Tyug		22,000		57,074	79,074
Josipinna Binti Pudun		22,000		72,230	94,230
Loo Tze Ming		22,000		57,173	79,173
Soo Ting Hooi <i>(resigned on 15 November 2024)</i>		22,000		56,926	78,926
Chan Wei Xi <i>(resigned on 15 November 2024)</i>		22,000		56,926	78,926
Dato Bijaya Indera Dato' Paduka Haji Syed Unan Mashri <i>(resigned on 1 July 2024)</i>		6,000		41,381	47,381
Chu Wooi Siong		22,000		15,830	37,830
<b>Total</b>	<b>545,296</b>	<b>248,000</b>		<b>1,080,006</b>	<b>1,873,302</b>

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. BOARD COMPOSITION (CONT'D)

##### 20. Remuneration of Top Five (5) Senior Management

During FYE 31 July 2024, the Senior Management only consists of two (2) management personnel including the Chairman and Managing Director of the Company (of which his detailed remuneration has been disclosed as above and under Practice 7.1 of the CG Report).

The range of the remuneration of the top one Senior Management, by a band of RM50,000.00/- is as follows:-

Range of Remuneration	No. of Senior Management
RM200,001-RM250,000	1
RM900,001-RM950,000	1

Whilst for the remaining senior management, the Board is of the view that such disclosure by named basis would have an adverse effect on the Company's talent retention in the competitive industry. All senior management are remunerated based on their scope of duty and responsibilities, the Group's and individual performance and other criteria as guided by the Directors' Remuneration Policy.

The RC is of the view that the level of remuneration package of the top two (2) senior management in respect of FYE 31 July 2024 is fair and reasonable to retain and reward the talents.

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### I. AUDIT COMMITTEE

##### Intended Outcome 8.0

**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.**

##### 21. Separation of the positions of the chair of the AC and Board

In compliance with Practice 8.1 of the MCCG, the AC is chaired by Ms. Josipinna Binti Pudun, and the Chairman and MD/CEO of the Board is Mr. Loh Boon Ginn.

##### 22. No appointment of former key audit partners as a member

In compliance with Practice 8.2 of the MCCG, the AC has instituted a policy by including it in its TOR that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC. The TOR has been updated accordingly to formalise such a policy.

For FYE 31 July 2024, no Board members were former key audit partners of the Group.

As a matter of practice, the AC has recommended that the NC not consider any former key audit partner as a potential candidate for Board directorship/AC member to affirm the AC's stand on such policy.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

#### I. AUDIT COMMITTEE (CONT'D)

##### 23. Assessment of external auditors

The AC had formalised policies and procedures to assess the suitability, objectivity and independence of external auditors annually. The outcome of the assessment would form a basis for the AC in making a recommendation to the Board on the re-appointment of the external auditors for the ensuing year at the AGM.

Messrs. Chengco PLT has indicated their intention not to seek re-appointment as the Company's auditors at the forthcoming 19th AGM. The Company is taking the necessary steps to appoint new auditors as soon as possible. Further announcement will be released in due course the proposed appointment has been confirmed.

##### 24. Skillsets of AC

The AC conducts self and peer evaluations annually to assess the performance and skillsets of the individual AC members and their peers.

During FYE 31 July 2024, the AC members had completed the assessment on an individual basis and the results were compiled by the company secretaries and tabled for the AC's review.

Based on the results of the assessment, the AC members are financially literate and understand the Group's business. The AC as a whole, has the necessary skills and knowledge to discharge their duties.

#### II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

##### Intended Outcome 9.0

**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.**

##### 25. Risk Management and Internal Control Framework

In compliance with Practice 9.1 of the MCCG, the Board has established a framework for risk management and internal control. Further details on the features of the risk management and internal control framework and the adequacy and effectiveness of this framework have been disclosed in the Statement of Risk Management and Internal Control of this Annual Report.

During FYE 31 July 2024, the risk management and internal control functions were assumed and overseen by the RMC and the AC respectively.

##### *Risk Management*

The Risk Officer is responsible for implementing processes in identifying, evaluating, monitoring and reporting risks and internal controls which arise from the daily business activities of the Group. The risk profile covering risk assessment, classification and risk ranking followed by action plans taken to mitigate the risks identified are then presented to the RMC for review on a quarterly basis. The Risk Officer together with the management ensure timely resolution of outstanding issues and implementation of action plans that are to be carried out and completed within the reasonable timeframe to mitigate the risks level.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

#### II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

##### 25. Risk Management and Internal Control Framework (Cont'd)

###### *Risk Management Committee*

In adopting the Step-Up Practice 9.3 of the MCCG, the composition of RMC comprises a majority of Independent Directors, to oversee the company's risk management framework and policies.

The memberships of the RMC are stated in the Statement on Risk Management and Internal Control of this Annual Report.

###### *Internal Controls*

The internal controls are tested for effectiveness and efficiency in two (2) cycles per financial year by an independent outsourced internal audit function following risk-based approaches. The report of the internal audit is tabled for the AC's review and deliberations, and the audit findings will then be communicated to the Board.

For FYE 31 July 2024, the Board opined that the risk management and internal controls of the Group were effective and adequate.

##### 26. Key Features of Risk Management and Internal Control Framework

The Statement on Risk Management and Internal Control as set out in this Annual Report provides an overview of the state and features of the risk management framework and internal control processes within the Group.

###### **Intended Outcome 10.0**

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

##### 27. Internal Audit Function

The Group's internal audit has been outsourced to an independent service provider i.e. Vaersa Advisory Sdn. Bhd. ("Vaersa") to carry out the internal audit function. The outsourced internal auditors report directly to the AC and provide the Board with a reasonable assurance of adequacy of the scope, functions and resources of the internal audit function.

The internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care.

The internal audit review of the Group's operations encompasses an independent assessment of the Company's compliance with its internal controls and recommendations are made for further improvement.

During FYE 31 July 2024, the AC reviewed and assessed the adequacy of the scope, functions, competency and resources of the outsourced internal auditors and that they have the necessary authority to carry out their work.

Further details of the Internal Audit Function have been disclosed under the AC Report of this Annual Report.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### I. COMMUNICATION WITH STAKEHOLDERS

##### Intended Outcome 11.0

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

#### 28. Continuous Communication between the Company and Stakeholders

The Board has developed internal corporate disclosure practices to ensure effective communications to the investing public of which only the designated authorised spokesmen will disseminate information regarding the business, operations and financial performance of the Group to the stakeholders, to ensure the consistency and accuracy of the information.

The Board has designated a limited number of spokespersons who are responsible for communication with the investment community, regulators and media.

##### Primary Spokesmen:-

- (i) Chairman of the Board and Managing Director; or failing which,
- (ii) Executive Deputy Chairperson.

#### II. CONDUCT OF GENERAL MEETINGS

##### Intended Outcome 12.0

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

#### 29. Engagement of the Board with the Shareholders

The AGM is used as the main forum of dialogue for shareholders to raise any issues pertaining to the Company. As a good corporate governance practice, the Notice of the Seventeenth AGM is issued at least 28 days prior to the meeting.

All the members of the Board and Chairmen of the Board Committees will be present at the AGM to address the shareholders' enquiry and concerns.

The explanatory notes to the Notice of AGM also provide a detailed explanation for a better understanding of each resolution proposed to enable shareholders to make informed and proper decisions in exercising their voting rights.

In line with Rule 8.31A of the ACE LR on the requirement for poll voting for any resolution set out in the notice of general meetings, at the Seventeenth AGM held last year, poll voting was used to facilitate the voting process for resolutions tabled. An independent scrutineer was also appointed to scrutinise the polling process.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### KEY FOCUS AREAS AND FUTURE PRIORITIES

Looking ahead to FYE 2025, the Board and its respective Board Committees will:-

- Focus on major strategic issues to ensure sustainability and growth;
- Continue to review the balance, experience and skills of the Board; and
- Monitor and strengthen the risk management framework and internal control.

### CONCLUSION

The Board is satisfied that the Company complies substantially with the practices of the MCCG during FYE 31 July 2024 and up to LPD.

This CG Overview Statement and the CG Report are made in accordance with the resolution passed by the Directors on 15 November 2024.