

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7247
COMPANY NAME : SCGM Bhd
FINANCIAL YEAR : December 31, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	The Board of Directors ("Board") is responsible for the overall corporate governance, strategic direction, formulation of policies and overseeing the businesses of SCGM Bhd ("SCGM") and its subsidiary ("the Group"). The Board leads and supervises the management of the business and affairs of the Group, ensure necessary resources are in place in enhancing long term shareholders' value and sustaining the stakeholders' interests. The duties and responsibilities of the Board are provisioned into the Board Charter which approved by the Board. A clear division of responsibilities between Executive Chairman and Managing Director was stipulated in the Board Charter. The Board is fully aware of the key risks associated with all areas of the business the Group is involved in and acknowledges that taking risks is an inherent part of business decision-making. To strike an appropriate balance between the risks taken and the potential returns for shareholders, the Board ensures the implementation of effective systems to monitor and manage these risks, keeping the long-term sustainability of the Group in mind.
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	:		
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Intended Outcome

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

Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Board was chaired by an Executive Chairman, Dato’ Sri Lee Hock Seng. The responsibilities of the Executive Chairman are provisioned into the Board Charter which approved by the Board. The Chairman is also responsible for the Group’s future business and strategy plan, setting goals and direction to achieve the mission and vision. He provides leadership and governance of the Board, ensuring its effectiveness and assumes the formal role as the leader in chairing all Board meetings and shareholders’ meetings. He leads the Board in overseeing Management and principally ensures that the Board fulfils its obligations as required under the relevant legislations and instilling good corporate governance practices. The responsibilities of the Chairman of the Board are set out in the Board Charter which is available on the Company’s website at www.scgamberhad.com	
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	:	The positions of the Executive Chairman and Managing Director are held by different individuals, whom are Dato' Sri Lee Hock Seng and Dato' Sri Lee Hock Chai respectively.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.4

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

<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	:	Applied
Explanation on application of the practice	:	The Chairman of the board is not a member of the Audit Committee, Nomination Committee and Remuneration Committee. The Chairman did not participate in the board committee meeting since 4/24 of the Audit Committee Meeting. This practice also incorporated into the latest Board Charter which stipulated that the board will not chair or participate in any of the board committees meeting. The last review date of this Charter was on 20 August 2024.
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 1.5

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	:	The Board to be supported by suitably qualified and competent Company Secretaries, namely Tan Tong Lang (MAICSA 7045482) and Thien Lee Mee (LS0010621). Further, responsibilities of the company secretary were provisioned into the Board Charter. The Company Secretaries support the Board and the relevant Board Committees to ensure their effective functioning in accordance with their terms of reference and best practices, and in managing the corporate governance framework of the Company. The Company Secretaries also advise the Directors on their fiduciary and statutory duties, as well as compliance with company law, the Main Market Listing Requirements, the Company's Constitution, the Malaysian Code on Corporate Governance 2021 ("MCCG"), Board adopted policies, and other pertinent regulations governing the Company, including guiding the Board towards the necessary compliances.
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 1.6

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

Application	:	Applied
Explanation on application of the practice	:	The Board meets at least quarterly with additional meetings convened as and when necessary. The Board, Board Committees, and general meetings for the year under review were scheduled in advance to facilitate the Directors in planning ahead and incorporating the said meetings into their respective schedules. The Notice of the Board and Board Committees meetings are sent to the Directors via email at least seven (7) days prior to the respective meeting. The agenda and Board papers encompassing comprehensive qualitative and quantitative information which include objectives, background, critical issues, implications, risks, strategic fit, recommendations, and other pertinent information are circulated to the Directors to enable an informed decision making by the Board. Board papers are distributed to all Directors ahead of each Board meeting, allowing them ample time to review the materials and request clarifications or additional information from Management or the Company Secretary before the meeting. Any Director has the right to propose items for inclusion on the agenda. Urgent papers may also be presented and tabled under the "Any Other Business" section.
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 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	:	Duties and responsibilities of the board are provisioned into the Board Charter whereas the board committees’ responsibilities are provisioned into respective terms of reference. The Board has formalised and uploaded its Board Charter on the company’s website. The Board Charter was last reviewed on 20 August 2024.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	The Company has established a Code of Conduct and Ethics ("Code") that outlines policies for managing corporate governance, relationships with shareholders, employees, creditors, and customers, as well as social responsibilities. This Code applies to all Directors and employees within the Group and is designed to promote high standards of corporate governance and ethical behaviour. The Code were established and published on the Company's website.
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	:	The Company has adopted the Whistleblowing Policy (“Policy”) which provides an avenue for employees and members of the public to disclose any improper conduct committed or about to be committed in accordance with the procedures as provided under the Policy. The Policy is accessible to the public for reference on the Company's website.	
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	:	The Board, together with the Group's management acknowledge the importance of sustainability and are responsible for the development and implementation of sustainability initiatives taken by the Group. One of the principal responsibilities of the Board is to review and adopt strategic plans for the Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced. The responsibilities of the Board are provisioned in the Board Charter and approved by the Board.	
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	:	The Company's stakeholders as well as the environment is crucial to sustaining the Group's long-term performance. The Board factors in these sustainability considerations and ensures that the Company's strategies, priorities and targets are communicated to internal and external stakeholders. As such the Company incorporates Economic, Environmental, Social and Governance risks and opportunities into the business decisions given their heightened materiality in decision-making considerations of stakeholders. The Board reviewed the discussion on sustainability reporting with the management team. The Group's sustainability, environmental, governance structure, sustainability and initiatives are described in the Sustainability Statement as included in the Company's Annual Report 2025.	
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	:	The Board is aware and understands the sustainability issues relevant to the Group's business. The Board continuously keep themselves abreast with and understanding to the sustainability agendas which are relevant to the Company and its business. The Board remains committed to abide by all applicable environmental laws and regulations in relation to climate change, energy use and waste management. Regular review of any risks and potential challenges is essential to ensure that the risks inherent to the Group's business and operations are being appropriately managed.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	During the annual evaluation of the Board, the Nomination Committee ("NC") has evaluated the performance of the Board in areas including the evaluation of the Group's strategic and business plans which promote sustainability. The performance assessment for senior management is through yearly performance appraisal.	
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	:	The NC annually conducts yearly assessment on the appropriateness, effectiveness and mix of skills of the Board and Board Committees, the Board's and Board Committees' composition, time commitment performance, tenure of directors, fit and proper, contribution, experience of each Director. The NC conducts an annual review of the performance of all Directors, including those seeking re-election, assessing factors such as competency, preparedness, and independence (for independent directors). Only those who receive a satisfactory evaluation are recommended to the Board for re-election. To ensure that the appointment and re-election of Directors meet the necessary criteria, the Company has implemented the Directors' Fit and Proper Policy. This policy outlines the approach and standards for appointing and re-electing Directors, providing guidance to the NC and the Board in evaluating Board candidates and Directors eligible for re-election. It ensures that Directors possess the required character, experience, integrity, competence, and availability to effectively perform their duties.
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	:	The current Board comprises of a total six (6) members including an Alternate Director, three (3) out of six (6) members, being Independent Non-Executive Directors ("INED"). <table border="1"> <thead> <tr> <th>Designation</th><th>Number of Directors</th><th>Percentage</th></tr> </thead> <tbody> <tr> <td>Executive Chairman</td><td>1</td><td>16.67</td></tr> <tr> <td>Managing Director</td><td>1</td><td>16.67</td></tr> <tr> <td>Alternate Director to Executive Chairman</td><td>1</td><td>16.67</td></tr> <tr> <td>INED</td><td>3</td><td>50.00</td></tr> <tr> <td>Total</td><td>6</td><td>100.00</td></tr> </tbody> </table> The Board is compliance with Paragraph 15.02(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, which requires at least two (2) Directors or one-third of the Board of the Company, whichever is the higher, are INED and 1 director of the listed issuer is a woman.	Designation	Number of Directors	Percentage	Executive Chairman	1	16.67	Managing Director	1	16.67	Alternate Director to Executive Chairman	1	16.67	INED	3	50.00	Total	6	100.00
Designation	Number of Directors	Percentage																		
Executive Chairman	1	16.67																		
Managing Director	1	16.67																		
Alternate Director to Executive Chairman	1	16.67																		
INED	3	50.00																		
Total	6	100.00																		
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	:	None of the INED has exceeded the nine (9) years tenure. Further, the practice of tenure of directors is provisioned into the approved Board Charter.	
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	:	In assessing the suitability of any candidate for the directorship, the Board (via the NC) will take into consideration the candidate's reputation, educational background, skills, diversity, knowledge, expertise, competence and experience that is in line with the Group's business operations, age, time commitment, independence and integrity. Hence, the NC is responsible for the appointment of Directors and has been delegated the role of screening and conducting an initial selection, which includes an external search, before making any recommendation to the Board for approval. The Company's Directors' Fit and Proper Policy which was designed with the recommended criteria will also serve as a guide for the review and assessment of potential candidates who are to be appointed to the Board as well as Directors who are seeking for re-election. The NC will also consider the candidate's ability to effectively perform their role, including whether a Director may be overstretched due to other commitments, and whether they can meet the demands and expectations of the position.
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	:		
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Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	The Board uses a variety of sources for the identification of suitable candidates. The NC reviews the composition, skill sets and Board requirements every year as part of the Board assessment. The Board may rely on recommendations from existing board members and other sources to meet the skill sets and requirements of the Board. The Board is open to utilizing independent sources as well. The Board will use many resources to source candidates based on recommendations and independent sources. However, all appointments of new Directors will be subjected to screening and appropriate recommendation of the NC prior to consideration and approval of the Board.
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	:	The responsibilities of the board in relation to the appointment and reappointment of director are provisioned into the Board Charter and terms of reference of NC. The profiles of all the Directors are set out in the Annual Report 2025, which include their age, gender, date of appointment, directorships in other public companies and public listed companies, working experience and any conflict of interest as well as their shareholdings in the Company, if any. The information for the Directors standing for re-election as well as the reasons from the Board to support the re-election of directors have been disclosed in the Explanatory Notes to the Notice of the forthcoming 19th AGM.
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 Chairperson of the NC is chaired by Patricia Rangene Packium, the Senior Independent Non-Executive Director.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	The Board has three (3) women Directors, representing 60% of the total Board members.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	The Board acknowledges the recommendations of MCCG on the establishment of a gender diversity policy. Currently, the Board has three (3) women Directors, representing 60% of the total Board members. The Company has adopted a Boardroom Diversity Policy which provides a framework for the Company to improve its gender diversity at Board level. The Boardroom Diversity Policy mentioned in the Board Charter and is available on the Company's website.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<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	: The Board (via the NC) evaluates the effectiveness of the Board as a whole, all Board committees of and the contribution of each individual Director. This evaluation, which is done annually, is facilitated by the Company Secretaries and conducted using evaluation forms covering the following key areas of composition, administration and process, accountability and responsibility, Board conduct, communication and relationship with Management, performance as well as the application of good governance principles to create sustainable shareholder's value. Completed evaluation forms and the results of the evaluations are collated into a report and deliberated on by the NC and subsequently by the Board and key issues arising thereon if are identified for further action by the Management. Based on the evaluation carried out for the financial year ended 31 December 2025, the NC has informed the Board that it was satisfied with the effectiveness of the Board and Board committees and the contribution and performance of each individual 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

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

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

Practice 7.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Company has adopted a Directors' and Senior Management Remuneration Policy with the main objective to provide fair and competitive remuneration to its Board and Senior Management. This ensures the Company can attract and retain high-caliber leaders to effectively manage and drive the Group's success.	
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	:	The Remuneration Committee’s duties and responsibilities are provisioned into its terms of reference. Further, the terms of reference of the Remuneration Committee are made available on the Company’s website.	
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 Company has disclosed in detail, on a named basis, the remuneration of its individual directors which includes fees, salary, emoluments, and benefits. The remuneration tables can be found at the Company's CG Overview Statement of the Company's Annual Report 2025.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Sri Lee Hock Seng	Executive Director	-	-	168	-	-	-	168	-	-	168	-	-	-	168
2	Dato' Sri Lee Hock Chai	Executive Director	-	-	168	-	-	-	168	-	-	168	-	-	-	168
3	Patricia Rangene Packium	Independent Director	34	1	-	-	-	-	35	34	1	-	-	-	-	35
4	Lim Peng Peng	Independent Director	34	1	-	-	-	-	35	34	1	-	-	-	-	35
5	Lee Yee Ling	Independent Director	34	1	-	-	-	-	35	34	1	-	-	-	-	35
6	Lee Lih Chyong	Alternate Director to Dato' Sri Lee Hock Seng	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

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	:	Not applicable - all members of senior management are members of the board	
Explanation on application of the practice	:		
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The positions of the Chairman of the Audit Committee (“AC”) and Chairman of the Board are held by different individuals, whom are Ms. Lim Peng Peng and Dato’ Sri Lee Hock Seng respectively.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	As of the date of this Report, none of the current members of the AC is a former partner of the external audit firm of the Group. As a measure to safeguard the independence and objectivity of the audit process, the policy has been incorporated in the AC's Terms of Reference which is available on the Company's website, requires the former partner of the external audit firm of the Company to observe a cooling-off period of at least three (3) years before he can be considered for appointment as a AC member.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	The AC is responsible for assessing the capabilities and independence of the external auditor and to make recommendations to the Board on their appointment, re-appointment or termination of the external auditor. Under AC's Terms of Reference, the AC reviews the suitability, objectivity and independence of the external auditor of the Company annually. The review process covers the assessment of the independence of the external auditor, the evaluation of the external auditor's performance, quality of work, audit fees and the adequacy of resources. The AC has monitored and reviewed the performance and independence of the external auditors and is satisfied that the external auditor has been independent through the conduct of the audit process and the audit services rendered have met the quality expected by the AC.
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	:	Adopted
Explanation on adoption of the practice	:	The AC comprises solely of Independent Directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairperson of the AC, Ms. Lim Peng Peng is a member of the Certified Practising Accountant (“CPA”) Australia and also member of the Malaysian Institute of Accountants (“MIA”). Further, the AC members attended trainings/ seminars/ professional development to keep themselves abreast with the relevant developments in accounting and auditing standards, practices and other regulatory rules & regulations.	
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	:	The Board has established an effective risk management and internal control framework to identify and assess the risks faced by the Group and implement and monitor appropriate internal controls to manage and mitigate those risks.	
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	:	The key features of the Risk Management and Internal Control Framework are set out in the Statement on Risk Management and Internal Control contained in the Annual Report 2025.	
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	:	The internal audit function is independent of the activities or operations it audits. The internal audit function reports to the AC. The AC manages and maintains a transparent and professional relationship with its internal auditors on behalf of the Board. The AC meets with the internal auditors to discuss their audit plans, audit findings and other special matters that require the Board's attention. The internal auditors attend AC Meetings of the Company whenever requested to do so.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	The Internal Audit Function is outsourced to GovernanceAdvisory.com Sdn. Bhd. ("GovernanceAdvisory"), a professional firm which has an ample team of audit professionals dedicated to conducting the internal audit review, led by Mr. Wong Tchen Cheg. Based on GovernanceAdvisory's written declarations, nothing has come to the AC's attention to indicate that the internal audit personnel assigned by GovernanceAdvisory to the Group's internal audit during the FY 2025 had any relationships or conflicts of interest with the Group, which could impair their independence and objectivity. The person responsible for the outsourced internal audit function is Mr. Wong Tchen Cheg. He has more than 15 years of experience in Financial Due Diligence and Internal Audit covering compliance reviews, internal audits, risk management and financial due diligence. He is an associate member of the Institute of Internal Auditors Malaysia ("IIAM"), Certified Practising Accountants ("CPA") and a member of the Malaysian Institute of Accountants ("MIA"). GovernanceAdvisory is a corporate member of IIAM.
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	:	The Board maintains an effective communications policy that enables both of the Board and management to communicate effectively with its shareholders and the public. At the Company's Annual General Meeting ("AGM"), Directors were present in person to engage directly with and be accountable to the shareholders for their stewardship of the Company. The Directors, the Chairman, Management and External Auditors were in attendance to respond to the shareholders' queries. The General Meeting serves as an important means for shareholders' communication. At each AGM, the Board presents the performance and progress of the Group and provides shareholders with the opportunity to raise questions and seek clarification on the business activities pertaining to the Group, agenda of the meetings and its proposed resolutions. The Board will respond to the questions raised by the shareholders during the AGM. The Board ensures each item of special business included in the notice will be accompanied by an explanatory statement on the effects of the proposed resolution. The Group also maintains and updates its Company's website on those corporate information and announcements released.
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 :		
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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	:	The Board encourages the participation of shareholders at the general meeting and has been sending notice of AGM earlier (at least 28 days) than the noticed period stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and will try to continue sending AGM notice earlier as and when possible. The notice of AGM for 18th AGM of the Company held on 19 May 2025 was issued on 21 April 2025, which represents a notice period of 28 clear days. The 19th AGM of the Company will be held on 26 May 2026, the Company issued the notice on 24 April 2026, which represents a notice period of 28 clear days.
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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	At the 18th AGM, Dato’ Sri Lee Hock Seng, the Executive Chairman of the Company was unfortunately unable to join the AGM due to unforeseen circumstances. Other Directors were present in person to engage directly with and be accountable to the shareholders for their stewardship of the Company. All Chairpersons of the Board Committees, Management and external auditors were in attendance to respond to the shareholders’ queries. Barring unforeseen circumstances, all Directors shall be attending the forthcoming 19th AGM to address shareholders’ queries at the meeting. The Chairman ensured that sufficient opportunities were given to shareholders to raise questions and issues relating to the affairs of the Company and that adequate responses were given.	
<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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The 18th AGM, held on 19 May 2025, the AGM was conducted at Creator Hotel Ballroom, 3rd Floor, Kulai Centre Point, Lot 1566, Batu 20, Jalan Kulai-Air Hitam, 81000 Kulai, Johor, which offers ample parking. Shareholders unable to attend in person were allowed to appoint proxies to attend, speak, and vote on their behalf. Considering the associated costs, the Board had opted not to adopt a hybrid AGM format. Nevertheless, the Board will consider the use of relevant technology to facilitate and enhance shareholders' remote participation at future AGMs, if necessary.
<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 13.4

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	At the 18th AGM, Dato' Sri Lee Hock Seng, the Executive Chairman of the Company was unfortunately unable to join the 18 th AGM due to unforeseen circumstances.
	:	Nevertheless, the Board has appointed Dato' Sri Lee Hock Chai as the Chairman of the 18th AGM. The Chairman is proactive and ensure the Company's general meetings support meaningful engagement between the Board, senior management and shareholders. The shareholders were allowed to submit their questions during the general meeting. The general meetings allocated sufficient time for shareholders to pose their questions, the Chairman and management to respond accordingly.
<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.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

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

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	Minutes of the 18th AGM held on 19 May 2025 have been made available to shareholders on its Company's website at https://www.scgmberhad.com/
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	:	

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

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

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