

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 0025  
**COMPANY NAME** : YBS INTERNATIONAL BERHAD  
**FINANCIAL YEAR** : March 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 PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors of YBS International Berhad ("<b>YBS</b>" or "<b>the Company</b>") ("<b>the Board</b>") is responsible for the oversight and overall management of the Company and its subsidiaries ("<b>Group</b>"). To ensure the effective discharge of its function and responsibilities, the Board established an internal governance model for delegation of specific powers of the Board to the relevant Board committees, the Managing Director &amp; Chief Executive Officer ("<b>MD &amp; CEO</b>") and the Key Senior Management ("<b>KSM</b>") of the Company and respective subsidiaries. The Board also has in place Board Charter and Board committees with clearly defined Terms of Reference ("<b>TOR</b>").</p> <p>Key matters reserved for the Board's decision and approval including but not limited to the following matters:</p> <ul style="list-style-type: none"><li>(a) Conflict of interest issues relating to a major shareholder and/or a Director including approving related party transactions,</li><li>(b) Material acquisitions and disposition of assets not in the ordinary course of business, including significant capital expenditures;</li><li>(c) Strategic investments, mergers and acquisitions and corporate exercises</li><li>(d) Limits of authority</li><li>(e) Treasury policies</li><li>(f) Risk management policies; and</li><li>(g) Key human resource issues.</li></ul> <p>The Board assumes the following core responsibilities: -</p> <ul style="list-style-type: none"><li>• <i>Reviewing and adopting strategic plans for the Group</i></li></ul> <p>The Group has adopted top-down strategic planning process whereby</p>

	<p>the Executive Directors and KSM will formulate the Group's strategy and communicate it down to the organisation for implementation. Annually, the Management will present to the Board the Group's business plans and annual budget (including capital expenditures) for the following year. The Board had on 20 February 2025 reviewed and considered the Group's business plans and annual budget for financial year ending 31 March 2026 ("FY2026").</p> <p>The execution of the business plans and performance against budget are reported to the Board every half yearly where the performance target was compared against actual performance for the period to date.</p> <ul style="list-style-type: none"> <li>• <i>Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed</i></li> </ul> <p>The Executive Directors together with the KSM are responsible for the day-to-day management of the business and operations of the Group. The Group's performance and key focus areas are reviewed every month by the Executive Directors at management meetings together with KSM of the respective companies. During quarterly meetings, the Executive Directors brief the Board on key developments and changes of the Group's business. The Board will also invite KSM to attend meetings for reporting on major issues relating to their respective responsibility.</p> <ul style="list-style-type: none"> <li>• <i>Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks</i></li> </ul> <p>The Board oversees the Enterprise Risk Management framework of the Group and monitors the Group's risk profile with the assistance from its Risk Management Committee ("RMC"). The RMC comprising the Executive Directors and KSM vide its half-yearly meeting will continue to assess to Group's risk exposure and implementation of appropriate actions to manage the risks. The RMC presents the RMC Report to the Audit, Sustainability and Risk Committee ("ASRC") and Board every half yearly and advises the ASRC and the Board on areas of high risk and the adequacy of compliance and control procedures throughout the organisation.</p> <p>The Company also outsourced its internal audit function to an independent professional firm. The internal auditors will provide additional independent review on the state of risk management and internal control of the Group and report to ASRC every quarter. The ASRC reviews, deliberates and decides on the next course of action</p>
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	<p>and evaluates the effectiveness and efficiency of the risk management and internal control systems in the organisation.</p> <ul style="list-style-type: none"> <li><i>Succession planning</i></li> </ul> <p>Succession planning is a critical element in preventing business disruptions and promoting operational sustainability. The Nominating Committee (“NC”) is entrusted by the Board to review and recommend potential candidates with sufficient experience and are the right fit for the Company when the need arise. Succession plans for key management positions are in place and continue to be monitored by the Human Resource department of the Group.</p> <ul style="list-style-type: none"> <li><i>Developing and implementing an investor relation programme or shareholder communication policy for the Company</i></li> </ul> <p>As part of the implementation of investor relation programme, the Board has identified the relevant personnel in handling investor relation related matter in the Group and their contacts are as published at the Company’s website at <a href="http://www.ybsinternational.com">www.ybsinternational.com</a>. During the financial year ended 31 March 2025 (“FY2025”), the Company communicated material news on the Company to its shareholders vide release of public announcement.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The roles and responsibilities of the Chairman of the Board have been specified in the Board Charter, which is available on YBS International Berhad's website at <a href="http://www.ybsinternational.com">www.ybsinternational.com</a>.</p> <p>The Board is led by Dato' Dr. Mohd Sofi Bin Osman who assumes the formal role of leader and chairs all Board meetings, lead discussions among the Directors and provide leadership to the Board in its oversight of management.</p> <p>Dato' Dr. Mohd Sofi is responsible for the Board's effectiveness and conduct. He also takes a leading role in the Company's drive to achieve and maintain a high standard of corporate governance with the full support of the Directors, Company Secretary and Management.</p> <p>Dato' Dr. Mohd Sofi continues to promote an open environment for debate and ensures effective contributions from Non-Executive Directors. He also exercises control over the quality, quantity and timeliness of information flow between the Board and Management. He ensures that every Board resolution is put to vote with the will of the majority to prevail. At a general meeting, the Chairman plays a role in fostering constructive dialogue between shareholders, Board and Management.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The distinct and separate roles and responsibilities of the Chairman and CEO are provided in the Board Charter, which is available on YBS's website at <a href="http://www.ybsinternational.com">www.ybsinternational.com</a>. The Board believes that segregation of positions of the Chairman and CEO allows YBS to promote accountability and facilitate division of responsibilities as well as ensure a balance power and authority between Chairman and the CEO.</p> <p>The position of Chairman and CEO are held by different individuals. The Chairman, Dato' Dr. Mohd Sofi Bin Osman is responsible for the Board's effectiveness and conduct. He also takes a leading role in the Company's drive to achieve and maintain a high standard of corporate governance with the full support of the Directors, Company Secretary and Management. The Chairman promotes an open environment for debate and ensures effective contributions from Non-Executive Directors. He also exercises control over the quality, quantity and timeliness of information flow between the Board and Management. At a general meeting, the Chairman plays a role in fostering constructive dialogue between shareholders, Board and Management.</p> <p>Mr. Yong Chan Cheah, MD &amp; CEO of the Group is in charge of the day-to-day operations of the business, making strategic business decision and implementing Board policies.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Chairman of the Board, Dato' Dr. Mohd Sofi Bin Osman is not a member of the Audit, Sustainability and Risk Committee ("ASRC"), NC or Remuneration Committee ("RC").
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by a competent and capable Company Secretary, Ms. Ong Tze-En who is a practicing secretary registered with the Companies Commission of Malaysia ("CCM") as well as a member of the Malaysian Institute of Chartered Secretaries and Administrators and is qualified to act as company secretary under Section 235(2) of the Companies Act 2016 ("<b>Act</b>").</p> <p>The Company Secretary plays an advisory role to the Board in relation to the Company's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. She informs the Board on any updates relating to any new statutory and regulatory requirements pertaining to the duties and responsibilities of Directors and the potential impact and implications arising there from.</p> <p>The Company Secretary and/or her representatives, attend and ensure that all meetings of the Board and Board Committees are properly convened. The deliberations and decisions made and/or resolutions passed thereof are recorded in minutes of meetings and kept at the registered office of the Company together with its statutory registers.</p> <p>The Company Secretary keeps abreast of the evolving capital market environment, regulatory changes and developments in Corporate Governance through continuous training.</p> <p>The roles and responsibilities of the Company Secretary have been specified in the Board Charter, which is available on YBS International Berhad's website at <a href="http://www.ybsinternational.com">www.ybsinternational.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	



<b>Timeframe</b>	:		
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### Intended Outcome

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

### Practice 1.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>To facilitate the Directors' time planning, an annual meeting calendar is prepared and circulated to all Directors before the beginning of every year.</p> <p>Generally, the meeting agendas and relevant board papers, reports including matters arising, financial, operational and regulatory compliance issues for the Board meeting and/or respective Board committee meetings are circulated at least 7 days prior to the Meetings to ensure they have sufficient time to review and evaluate the matters to be deliberated and obtain further information if needed, prior to the meeting to expediate decision-making during meetings. Actions on all matters arising from any previous meeting are reported at the following meeting.</p> <p>The Management is responsible for providing the Board with the required information in an appropriate and timely manner. The Chairman, assisted by the Company Secretary, assesses the type of information required to be provided to the Board. If the information is insufficient, the Board can make further enquiries of which management shall address the issue soonest possible until the Board is fully satisfied with the feedback received from Management.</p> <p>In promoting productive discussion during the respective meetings, the Directors may seek advice from the Management on issues under their respective purview. The Directors may also interact directly with the Management, or request further explanation, information or updates on any aspect of the Company's operations or business concerns.</p> <p>The Directors, whether as full Board or in their personal capacity, may upon approval from the Board, seek independent professional advice, where necessary and under appropriate circumstances, in furtherance of their duties and to enable them to discharge their duties, at the Company's expense.</p>
<b>Explanation for departure</b>	:	

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

## Intended Outcome

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

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

### Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter serves as a primary reference and guidance for Board members in fulfilment of their fiduciary duties as directors of the Group and the functions of the Board Committees as well as the Boards of the respective subsidiary companies within the Group. It sets out amongst other things, the key values, principles and ethos of the Company.</p> <p>The roles and responsibilities of the Directors, Board Committees and Chairman as well as issues and decisions reserved for the Board are clearly outlined in the Board Charter.</p> <p>The Board will review the Board Charter annually and as when necessary to ensure its relevance in aiding the Board to discharge its duties and responsibilities vis a vis the changes in corporate laws and regulations that may arise from time to time as well as be consistent with the Board's objectives and responsibilities as well as the governance model of Group.</p> <p>The Board Charter, last reviewed by the Board on 22 July 2024 is available at the Company's website at <a href="http://www.ybsinternational.com">www.ybsinternational.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The principle of the Company's Codes of Ethics for Directors is based on principles in relation to sincerity, integrity, responsibility and corporate social responsibility. The Code of Ethics is formulated to enhance the standard of corporate governance and corporate behaviour with the intention of achieving the following aims: -</p> <p>(a) To establish a standard of ethical behaviour for directors based on trustworthiness and values that can be accepted, are held or upheld by any one person.</p> <p>(b) To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administering the Group.</p> <p>The Code of Ethics for employees promotes integrity and ethical conduct in all aspects of the Group's operations, including but not limited to privacy and confidentiality of information. It also sets out prohibited activities or misconduct such as accepting gifts, bribes and dishonest behaviour.</p> <p>The Company has also adopted the Anti-Bribery and Corruption Policy ("<b>ABC Policy</b>") in compliance with the Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. The adoption of the ABC Policy signalled commitment by the Board and the Group to conduct all businesses in an honest and ethical manner requiring all Directors and employees to act professionally, fairly and with integrity in all our business dealings and relationships.</p> <p>The ABC Policy sets out adequate procedures designed to prevent situations in which bribery and corrupt practices may take root.</p>

	<p>The Company had also adopted a Directors' Fit and Proper Policy to ensure that individual who possesses the right qualification, expertise, competence and integrity is appointed as Director in the Group. All candidates to be appointed and seeking for re-election as Directors in the Group, shall undergo a fit and proper review accordance with the Directors' Fit and Proper Policy.</p> <p>The Code of Ethics for Directors, ABC Policy and Directors' Fit and Proper Policy are available at the Company's website at <a href="http://www.ybsinternational.com">www.ybsinternational.com</a>.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company's Whistleblowing Policy and Procedures ("<b>WPP</b>") fosters an environment where integrity and ethical behaviour are maintained and any illegal or improper action and/or wrongdoing in the Group may be reported. The Board has overall responsibility to oversee the implementation of the WPP and all whistle-blowing reports are to be addressed to the respective personnel as assigned pursuant to the Group's WPP. This mechanism will allow the stakeholders of YBS to report concerns about alleged unethical behaviour, malpractice, illegal acts, actual or suspected fraud within the Group, or improper business conduct affecting the Group and about business improvement opportunities.</p> <p>The Company did not receive any such report during FY2025.</p> <p>The WPP of YBS is available at its Company's website at <a href="http://www.ybsinternational.com">www.ybsinternational.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.1

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises that sustainable development is an important and integral part of the Group's pursuit of its long-term business success.</p> <p>The executive leadership and key senior management had discussed the material sustainability matters through the risk management assessment.</p> <p>The sustainability initiatives undertaken by the Group during FY2025 addressed areas of economic, environment and social perspectives.</p> <p>The Board will embed sustainability considerations into the Group's operations when developing the business strategies in achieving its short-term and long-term objectives.</p> <p>Further details on the sustainability governance structure are provided in the Sustainability Statement in the Annual Report 2025.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

### Practice 4.2

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Company recognise the importance of maintaining good degree of communication and understanding with all the internal and external stakeholders.	
		The Group has established effective and transparent communication channel with stakeholders where the methods of the engagement was summarised in the sustainability statement section of the annual report.	
		The Group currently does not set comprehensive targets for its sustainability initiatives and strategies. Sustainability targets, implementation strategies and measurement targets are being developed while being mindful to ensure that commercially sensitive information are kept confidential so as not to derail the Group's competitive edge.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board via the NC will assess and ensure all directors receive appropriate continuous training particularly on sustainability issues relevant to the Company and its business, including climate-related risks and opportunities and the Board will also be evaluated on sustainability aspects as part of Board’s annual appraisal.</p> <p>Where necessary, the Company will upskill the Board and KSM on sustainability issues including climate-related topics, such as internal workshops and training or external collaboration with expert organisations.</p> <p>The Board is also supported by competent Company Secretary who also provide updates on sustainability issues and requirements.</p> <p>All Directors had attended Mandatory Accreditation Programme Part II: Leading for Impact, which aims to provide directors with the foundation to address sustainability risks and opportunities effectively, and have better oversight over their companies' material sustainability matters.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.4**

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Company has not included a review of the performance of the Board and senior management in addressing the material sustainability risks and opportunities during the assessment for FY2025.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.5- Step Up**

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

*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.*

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

## Intended Outcome

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

## Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC reviews the Board composition and tenure of each Director on annual basis and makes relevant recommendations to the Board. At the deliberations, the Director being discussed abstains from taking part in the deliberations.</p> <p>The NC reviews the Directors who are subject to re-appointment or re-election. In its review, the NC considers, amongst others, the needs of the Board, tenure of the Director, as well as the quality and performance of the Director. On these bases, the NC makes recommendation to the Board. The Board further makes recommendation to the stockholders and includes them in the notice to Annual General Meeting ("<b>AGM</b>").</p> <p>The NC also reviews annually the required mix of skills, experience and other qualities, including core competencies of the members in discharging their duties. The skills and experience of each Director is analysed, inter-alia, in the areas of business operations technical and governmental affairs and legislation. Furthermore, the NC reviews size and composition of the Board with consideration on the impact on the effective functioning of the Board.</p> <p>The NC had also reviewed and assessed the independence of the Independent Directors based on the Directors' professionalism and integrity in the decision-making process, ability to form independence judgements, as well as objectivity and clarity in deliberations in addition to the specific criteria of independence as set out in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("<b>Bursa Securities</b>") ("<b>ACE LR</b>").</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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## Intended Outcome

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

## Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied												
Explanation on application of the practice	:	<p>The current Board comprised of five (5) members of which one (1) is an Executive Director and remaining four (4) are Independent Non-Executive Directors (“INED”). More than half the Board comprises INEDs, aligning with Rule 15.02 of the ACE LR whereby the Company must have at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, who are Independent Directors.</p> <table><tr><th>Directors</th><th>Designation</th></tr><tr><td>Dato’ Dr. Mohd Sofi Bin Osman</td><td>Independent Non-Executive Director/ Chairman</td></tr><tr><td>Yong Chan Cheah</td><td>Executive Director/ MD &amp; CEO</td></tr><tr><td>Dato’ Jimmy Ong Chin Keng</td><td>Independent Non-Executive Director</td></tr><tr><td>Low Hee Chung</td><td>Independent Non-Executive Director</td></tr><tr><td>Gor Siew Yeng</td><td>Independent Non-Executive Director</td></tr></table> <p>All the INEDs had upon their appointment, gave to the Company a letter of confirmation as Independent Director as defined under Rule 1.01 of the ACE LR.</p> <p>On 15 July 2025, an assessment of the effectiveness of the Board, respective Board Committees and independence of INEDs (“the <b>Assessment</b>”) were carried out in respect of the FY2025. The NC played an important role to assist the Board in assessing the independence of INEDs. Based on the Assessment conducted by the NC, the Board is generally satisfied with the level of independence demonstrated by all INEDs and their ability to act in the best interest of the Group, taking into account diverse perspectives and insights.</p> <p>The NC develops the criteria to assess independence of Independent Director, include but not limited to directors’ background, family relationships, interest of shareholdings in the Company and related party transactions with the Group (if any).</p>	Directors	Designation	Dato’ Dr. Mohd Sofi Bin Osman	Independent Non-Executive Director/ Chairman	Yong Chan Cheah	Executive Director/ MD & CEO	Dato’ Jimmy Ong Chin Keng	Independent Non-Executive Director	Low Hee Chung	Independent Non-Executive Director	Gor Siew Yeng	Independent Non-Executive Director
	Directors	Designation												
	Dato’ Dr. Mohd Sofi Bin Osman	Independent Non-Executive Director/ Chairman												
	Yong Chan Cheah	Executive Director/ MD & CEO												
	Dato’ Jimmy Ong Chin Keng	Independent Non-Executive Director												
Low Hee Chung	Independent Non-Executive Director													
Gor Siew Yeng	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.														

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



### Intended Outcome

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

### Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board recognises the Malaysian Code of Corporate Governance ("MCCG")'s recommendation that service tenure of an INED should not exceed a cumulative or consecutive term of nine (9) years. Upon completion of the nine (9) years, an INED may continue to serve on the Board subject to the Director's re-designation as a Non-INED or the Board shall justify and seek annual shareholders' approval.</p> <p>Mr Low Hee Chung who has served the Board as INED since 31 July 2013 had retired from the Board effective 31 July 2025 upon reaching the 12-year tenure limit. The Board intends to retain the services of Ms. Gor Siew Yeng as INED and will seek shareholders' approval at the coming AGM.</p> <p>NC reviewed and assessed the independence of INED and her tenure of service. The NC is satisfied that Ms. Gor has continued to demonstrate her independence through her engagement in meetings by bringing objective and independent judgement to decisions taken by the Board. She had also devoted sufficient time and attention to the Group's affairs.</p> <p>Key justifications to recommend her continuation as INED are as follows:</p> <ol style="list-style-type: none"><li>1. Have proven business insight, academic qualifications, professional experiences to share their valuable experience, expertise and skills with the Board;</li><li>2. Actively participated in Board deliberation, providing objectivity in decision-making and possesses sufficient self-esteem and confidence to stand up with an independent voice to the Board.</li><li>3. Exercised due care during his/her tenure as INEDs of the Company and carried out his/her professional duties in the best interest of the Company and shareholders.</li></ol>

	<p>4. Able to bring elements of objectivity and impartiality which provide check and balance to the executive team.</p> <p>5. Had contributed sufficient time and efforts in attending the meetings of the Board and Board Committees.</p> <p>Two tier shareholders’ approval will be sought at the forthcoming AGM for Ms. Gor Siew Yeng to continue to act as INED.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

**Intended Outcome**

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.

<i>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.</i>	
<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	

## Intended Outcome

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

## Practice 5.5

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

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

<b>Application</b>	:	Applied																																																																																
<b>Explanation on application of the practice</b>	:	<p>All candidates for appointment of directors are first considered by the NC, taking into account the mix of skills, competencies, experience, professionalism and other relevant qualities required to well manage the business, with the aim to meet the current and future needs of the Board composition. The NC also evaluates the candidates’ character and ability to commit sufficient time to the Group. Other factors considered for appointment of Independent Director will include the level of independence of the candidate.</p> <p>The NC has also established a set of quantitative and qualitative performance criteria to evaluate the performance of each member of the Board, each Board Committee and reviewing the performance of the Board as a whole. The criteria for assessment of Directors shall include attendance record, intensity of participation at meetings, quality of interventions and special contributions.</p> <p>The skillsets and diversity of the Board for FY2025 are summarized as follows:-</p> <table><tr><th rowspan="2"></th><th colspan="8">Industry / Background /Experience</th></tr><tr><th>Technology</th><th>Marketing</th><th>Precision Engineering Industrial</th><th>Precision Stamping Industrial</th><th>Corporate</th><th>Accounting / Finance</th><th>Internal Audit</th><th>Law / Legal</th></tr><tr><td>Directors</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Dato’ Dr. Mohd Sofi Bin Osman</td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td><td></td></tr><tr><td>Yong Chan Cheah</td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td><td>√</td><td></td></tr><tr><td>Low Hee Chung</td><td></td><td></td><td></td><td></td><td>√</td><td>√</td><td>√</td><td></td></tr><tr><td>Gor Siew Yeng</td><td></td><td>√</td><td>√</td><td>√</td><td>√</td><td></td><td>√</td><td>√</td></tr><tr><td>Dato’ Jimmy Ong Chin Keng</td><td></td><td></td><td></td><td></td><td>√</td><td>√</td><td>√</td><td></td></tr><tr><td>Yong Li-Xiang (Alternate Director)</td><td>√</td><td>√</td><td>√</td><td>√</td><td></td><td></td><td></td><td></td></tr></table>		Industry / Background /Experience								Technology	Marketing	Precision Engineering Industrial	Precision Stamping Industrial	Corporate	Accounting / Finance	Internal Audit	Law / Legal	Directors									Dato’ Dr. Mohd Sofi Bin Osman	√	√	√	√	√	√	√		Yong Chan Cheah	√	√	√	√	√	√	√		Low Hee Chung					√	√	√		Gor Siew Yeng		√	√	√	√		√	√	Dato’ Jimmy Ong Chin Keng					√	√	√		Yong Li-Xiang (Alternate Director)	√	√	√	√				
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Low Hee Chung					√	√	√																																																																											
Gor Siew Yeng		√	√	√	√		√	√																																																																										
Dato’ Jimmy Ong Chin Keng					√	√	√																																																																											
Yong Li-Xiang (Alternate Director)	√	√	√	√																																																																														

	The diversity in the race/ethnicity (cultural background), nationality, age and gender of the existing Board for FY2025 were as follows:					
		Race/Ethnicity			Nationality	
		Bumiputera	Chinese	Foreign	Malaysian	Foreigner
	No. of Directors	1	4	0	5	0
		Age Group (Years)			Gender	
		40 - 49	50 - 59	60 - 69	Male	Female
	No. of Directors	0	3	2	4	1
	The appointment of Key Senior Management was also made with due regard for diversity in skills, experience, age, cultural background and gender. Their detailed particulars are provided in the Annual Report 2025.					
Explanation for departure	:					
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.						
Measure	:					
Timeframe	:					

### Intended Outcome

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

### Practice 5.6

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Company has in place its procedures and criteria for appointment of new directors. It has been a practice to the Company that NC will carry out an interview with the candidates prior to his/her appointment as a director of the Company. All candidates for appointment are first considered by the NC, taking into account the mix of skills, competencies, experience, professionalism and other relevant qualities required to well manage the business, with the aim to meet the current and future needs of the Board composition. The NC also evaluates the candidates' character and ability to commit sufficient time to the Group.</p> <p>Other factors considered for appointment of Independent Director will include the level of independence of the candidate. The Board prioritise the selection of candidate based on skills, experience and personal attributes and strongly believes that the performance of a candidate lies within oneself instead of the recommender/referrer.</p> <p>The Board is open to utilise independent sources such as external registries of corporate directors, internal database of potential candidates, third party referrals or from executive search firms to identify suitably qualified candidates.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The information of the Board and their respective profiles, position or relationship, meeting attendance and any conflict of interest are included in the Board of Directors' Profile in the Annual Report 2025.</p> <p>All Directors are subject to retirement by rotation and standing for re-election at regular intervals. Pursuant to Paragraph 102(1) of the Company's Constitution, each Director shall retire from office at least once every three (3) years and a retiring Director shall be eligible for re-election.</p> <p>On 15 July 2025, the Board through the NC had undertaken an annual assessment on the Directors, namely Dato' Dr. Mohd Sofi Bin Osman and Ms Gor Siew Yeng whose are seeking for re-election pursuant to Paragraph 102(1) of the Company's Constitution at the forthcoming 23<sup>rd</sup> AGM of the Company. The Board and NC are satisfied with the performance assessment of retiring directors such as meeting attendances, active participation and positive contribution during deliberations or discussions at meetings of the Board and Board Committees, competency and capability, understanding of their roles and responsibilities. Thus, the Board recommended that the approval of the shareholders be sought for the re-election of the said Directors at the forthcoming 23<sup>rd</sup> AGM of the Company.</p> <p>To ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director, a brief profile of director concerned together with statement from the Board (on whether it supports the appointment or reappointment) is included in the notes accompanying the notice of the 23<sup>rd</sup> AGM.</p>
<b>Explanation for departure</b>	:	

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

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



**Intended Outcome**

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 NC is chaired by Dato’ Jimmy Ong Chin Keng, an INED of the Company.  Details of the activities carried out by the NC during FY2025 are set out in the Corporate Governance Overview Statement contained in the Annual Report 2025.  The Terms of Reference of the NC can be viewed on the Company’s website at <a href="http://www.ybsinternational.com">www.ybsinternational.com</a> .	
	:		
	:		
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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board is of the view that while selection of candidates for appointment to the Board will be based on a range of diversity perspective including gender, merit and contribution that the selected candidates will bring to the Board should be prioritised in deciding appointments to the Board.	
		As at FY2025, one (1) out of five (5) of the Company’s directors is female director which comprise 20% female representation at Board level. The presence of Ms. Gor Siew Yeng, the sole female Director on the Board complies with ACE LR which mandates presence of at least one (1) female Director on Board.  The NC and the Board will consider gender diversity as part of its future selection and will look into increasing female board representation going forward.	
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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>Whilst acknowledging the recommendation of the MCCG on gender diversity, the Company does not practice any form of gender, ethnicity and age group biasness as all candidates shall be given fair and equal treatment. The Board believes that there is no detriment to the Company in not adopting a formal gender, ethnicity and age group diversity policy as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Company.</p> <p>The Board is of the view that the appointment of Board member or management should be determined based on objective criteria, merit and with due regard for diversity in skills, experience and other qualities regardless of gender but will nevertheless consider appointing more directors of the female gender where suitable to be in line with the MCCG’s target. Besides, the Board also made progress in broadening the diversity of the Board and Senior Management from time to time.</p> <p>While the Board does not have a formal gender diversity policy, it remains committed to promoting fair and equal opportunities and fostering diversity across the Group. The Board values diversity in terms of race, religion, gender, regional and industry experience, cultural and geographical background, ethnicity, age, and perspective.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>													
<b>Application</b>	: Applied												
<b>Explanation on application of the practice</b>	<p>On 15 July 2025, an assessment of the effectiveness of the Board, respective Board Committee and Independence were carried out in respect of the FY2025. Appraisal form which comprising quantitative and qualitative performance criteria to evaluate the performance of each member of the Board as well as each Board Committee, were being circulated at the NC meeting for assessment. The NC reviewed the required mix of skills, experience and other qualities of the Board and Board Committee and agreed that it has the necessary mix of skill, experience and other qualities to serve effectively.</p> <p>The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. The attendance record of the Directors for the FY2025 was satisfactory. The number of Board meetings attended by the respective Directors are as follows:-</p> <table><tr><th></th><th>Meeting Attendance</th></tr><tr><td>Dato' Dr. Mohd Sofi Bin Osman</td><td>9/9</td></tr><tr><td>Yong Chan Cheah</td><td>9/9</td></tr><tr><td>Low Hee Chung</td><td>9/9</td></tr><tr><td>Gor Siew Yeng</td><td>9/9</td></tr><tr><td>Dato' Jimmy Ong Chin Keng</td><td>7/9</td></tr></table> <p>All the Directors have complied with the minimum 50% attendance requirement in respect of Board Meeting as stipulated in the ACE LR. In the interval between Board Meetings, for any matters requiring Board's decisions, the Board's approvals are obtained through circular resolutions. The resolutions passed by way of such circular resolutions are then noted at the next Board Meeting.</p>		Meeting Attendance	Dato' Dr. Mohd Sofi Bin Osman	9/9	Yong Chan Cheah	9/9	Low Hee Chung	9/9	Gor Siew Yeng	9/9	Dato' Jimmy Ong Chin Keng	7/9
	Meeting Attendance												
Dato' Dr. Mohd Sofi Bin Osman	9/9												
Yong Chan Cheah	9/9												
Low Hee Chung	9/9												
Gor Siew Yeng	9/9												
Dato' Jimmy Ong Chin Keng	7/9												

	<p>The NC (with each ID member abstaining from deliberation on his/her independence) had also reviewed and assessed the independence of the IDs based on the Directors' professionalism and integrity in the decision-making process, ability to form independence judgements, as well as objectivity and clarity in deliberations in addition to the specific criteria of independence as set out in the ACE LR.</p> <p>The results of all assessments and comments by Directors are summarised before being tabled for review and discussion at the NC meeting. Thereafter, the Chairman of NC would report on the results and deliberations to the Board.</p> <p>The Directors are mindful that they should continue to attend training programmes to enhance their skills and knowledge where relevant, as well as to keep abreast with the changing regulatory and corporate governance developments.</p> <p>The details of trainings attended by the Directors during the FY2025 are as follows:-</p>		
	Director	Date	Description
	Dato' Dr. Mohd Sofi Bin Osman	24/06/2024 - 25/06/2024	Mandatory Accreditation Programme Part II; Leading for Impact (LIP)
		03/09/2024 - 04/09/2024	Advanced Innovation & Manufacturing Asia Week 2024
	Yong Chan Cheah	04/09/2024 - 05/09/2024	Mandatory Accreditation Programme II: Leading for Impact
		21/09/2024	2nd ASEAN Battery Technology Conference
		25/09/2024 - 26/09/2024	Design-2-Part Trade Show: Southern California 2024
		05/12/2024	AMCHAM's Penang Dialogue 2024: Policies & Possibilities
	Low Hee Chung	23/04/2024	Unlocking success with eInvoicing tax compliance & strategies in Malaysia
		02/05/2024	How to Detect Financial Warnings in Companies Confirmation
		05/06/2024	WEBINAR SALES TAX 2024 (LATEST UPDATES & EXEMPTION)
		06/06/2024	FMM Penang Tea Talk Session: E invoicing Implementation-Updates for 2024
		18/07/2024	Webinar Seminar Cukai Keuntungan Modal
		11/10/2024	Are you ready for E-Invoicing (Full Day)
		23/10/2024	Seminar Percukaian Kebangsaan (SPK) 2024
		04/11/2024 - 05/11/2024	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	Gor Siew Yeng	16/05/2024	FMM: Enhancing employee engagement to boost productivity

		10/06/2024 - 11/06/2024	Employees' DX Education (Advanced)
		01/08/2024	Northern Region HR Conference 2024
		24/02/2025 - 25/02/2025	Mandatory Accreditation Programme Part II; Leading for Impact (LIP)
	Dato' Jimmy Ong Chin Keng	25/09/2024 - 26/09/2024	Mandatory Accreditation Programme Part II; Leading for Impact (LIP)
	Yong Li-Xiang	04/09/2024 - 05/09/2024	Mandatory Accreditation Programme Part II; Leading for Impact (LIP)
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The RC is responsible for recommending to the Board on the remuneration framework as well as the remuneration package of Executive Directors and KSM to ensure that rewards commensurate with their contributions to the Group's growth and profitability in order to align the interest of the Directors with those of the shareholders. The RC also ensures the level of remuneration for INEDs and Executive Directors are linked to their level of responsibilities undertaken and contributions to the effective functioning of the Board.</p> <p>The Company's remuneration policy for Directors is formulated to attract and retain individuals of the necessary caliber needed to run the business of the Group successfully. The remuneration is structured to link experience, expertise and level of responsibility undertaken by the Directors. The Directors play no part in deciding their own remuneration and shall abstain from discussing or voting on their own remuneration.</p> <p>The current remuneration policy of the Group is summarised as follows:-</p> <ul style="list-style-type: none"><li>(a) The Directors' salary for Executive Directors are set at a competitive level for similar roles within comparable markets, reflect the performance of the director, skills and experience as well as responsibility undertaken.</li><li>(b) Directors' fees are based on a standard fixed fee and are subject to approval by its shareholders at the AGM.</li><li>(c) Meeting Allowance – All the Directors are entitled to a fixed amount of allowance paid in accordance with the number of meeting days attended during the year and subject to approval by its shareholders at the AGM.</li></ul>

	<p>The RC may obtain independent professional advice in formulating the remuneration package of its Directors.</p> <p>For KSM and employees, the Executive Committee reviews the annual salary increments and bonuses to ensure that the compensation offered is in line with the market practice and to remain competitive for talent attraction and retention.</p> <p>The RC met twice (2) during FY2025 to consider the remuneration package of the MD &amp; CEO and KSM as well as Directors' fees and benefits payable to Directors.</p> <p>The ESOS Committee was formed in accordance with the By-Laws of ESOS and is responsible for approving the ESOS options for each financial year, if any.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The composition of the RC consists of three (3) members, all of whom are INEDs.</p> <p>The terms of reference of the Remuneration Committee are available at the Company's website at <a href="http://www.ybsinternational.com">www.ybsinternational.com</a>.</p> <p>The RC is responsible for, inter-alia, recommending to the Board the remuneration policy for, including the establishment of a formal and transparent methodology in determining the remuneration of Executive Directors and Non-Executive Directors and to review remuneration policy and methodology when necessary; review the existing level of remuneration of Executive Directors and to recommend their remuneration to the Board based on the Company's and their individual performance to ensure their remuneration package commensurate with the scope of responsibilities held. The RC also ensures the level of remuneration for Non-Executive Directors are linked to their level of responsibilities undertaken and contributions to the effective functioning of the Board.</p> <p>The RC is responsible to develop the Company's remuneration framework to ensure they remain competitive and consistent with the Company's business strategy and long-term objectives. The policy on Directors' remuneration practiced by the RC is to provide the remuneration packages necessary to attract, retain and motivate Directors of the quality required to manage the Group's business and to align the interest of the Directors with those of the shareholders.</p>
<b>Explanation for departure</b>	:	

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

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

**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	In line with the ACE LR, the remuneration of the Directors of the Company comprising of remuneration received/receivables from the Company and Group during FY2025 has been disclosed in the 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' Dr. Mohd Sofi Bin Osman	Independent Director	69	8	-	-	-	60	137	69	8	-	-	-	60	137
2	Low Hee Chung	Independent Director	53	8	-	-	-	52	113	53	8	-	-	-	52	113
3	Gor Siew Yeng	Independent Director	48	7	-	-	-	46	101	48	7	-	-	-	46	101
4	Dato' Jimmy Ong Chin Keng	Independent Director	42	6	-	-	-	45	93	42	6	-	-	-	45	93
5	Yong Chan Cheah	Executive Director	-	407	827	100	26	200	1,560	-	407	827	100	26	434	1,794
6	Yong Swee Chuan (Resigned on 20 August 2024)	Executive Director	-	2	130	100	7	200	439	-	2	589	400	21	435	1,447
7	Poa Mei Ling (Resigned on 19 August 2024)	Executive Director	-	2	122	-	3	-	127	-	2	372	39	9	242	665
8	Yong Li-Xiang (Alternate director to Yong Chan Cheah)	Non-Executive Non-Independent Director	-	4	69	20	-	121	214	-	4	69	20	-	121	214
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11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>Given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment and the importance of ensuring stability and continuity of business operations with a competent and experienced Management team in place, the Board takes the view that there is no necessity for the Group to disclose the names of the Company's Senior Management personnel who are not Directors or the Chief Executive Officer.</p> <p>The Board will ensure that the remuneration of the senior management personnel commensurate with the level of responsibilities, with due consideration in attracting, retaining and motivating senior management to lead and run the Group successfully. Excessive remuneration pay-out is not made to the senior management personnel in any instance.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

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.

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

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



**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>On 28 November 2024, Mr. Low Hee Chung had decided to step down as chairman of the ASRC and the NC had recommended Dato' Jimmy Ong Chin Keng to be appointed and redesignated as the chairman of the ASRC. The Board had approved the following:</p> <p>(a) Dato' Jimmy Ong Chin Keng be redesignated as chairman of ASRC with effect from 01 January 2025; and</p> <p>(b) Mr. Low Hee Chung be redesignated as member of ASRC with effect from 01 January 2025.</p> <p>Both Dato' Jimmy Ong Chin Keng and Mr. Low Hee Chung are INEDs and neither of them are Chairman of the Board.</p> <p>The Chairman of the Board is Dato' Dr. Mohd Sofi Bin Osman.</p> <p>Details on the composition and activities of the ASRC are outlined under the ASRC Report in Annual Report 2025.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 9.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Company recognised the need to uphold independence of the external auditors from the Board and Management. None of the members of the ASRC or the Board were former key audit partners.  The Terms of Reference of the ASRC sets out, amongst others, that in the event a former key audit partner is appointed as the independent director of the Company, he/she shall observe a cooling-off period of at least three (3) financial year ends before being appointed as a member of the ASRC.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has in place a Policy for the Assessment of the Suitability and Independence of External Auditors. Accordingly, the ASRC has established an Assessment Questionnaires. The areas assessed were (i) calibre; (ii) quality processes / performance; (iii) audit team; (iv) independence and objectivity; (v) audit scope and planning; (vi) audit fees; and (vii) audit communication.</p> <p>On 15 July 2025, the ASRC has undertaken its annual assessment of the suitability and independence of the External Auditors, taking into consideration factors that include adequacy of experience and resources of the firm and the professional staff assigned to the audit, independence, audit fees and the level of non-audit services to be rendered by the External Auditors to the Company, etc.</p> <p>Based on the assessment, the ASRC recommended the re-appointment of Grant Thornton Malaysia PLT as the External Auditors of the Group for the ensuing year ending 31 March 2026 after having satisfied with its audit independence and the performance of Grant Thornton Malaysia PLT throughout its course of audit for the FY2025, amongst others:-</p> <ul style="list-style-type: none"><li>• satisfied that the quality processes/performance of External Auditors;</li><li>• able to give adequate technical support when audit issues arise;</li><li>• networking ability and competency to address audit of overseas subsidiaries; and</li><li>• adequate experience and resources of Grant Thornton Malaysia PLT.</li></ul> <p>The ASRC has also obtained confirmation from the External Auditors that Grant Thornton Malaysia PLT have maintained its independence in accordance with Grant Thornton Malaysia PLT requirements and with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (MIA) and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, they are not aware of any cause that in their professional judgement, may be thought to impair their independence.</p>

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted									
<b>Explanation on adoption of the practice</b>	:	As at FY2025, the Audit, Sustainability and Risk Committee comprised solely of INEDs as listed below:									
		<table><tr><th>Name</th><th>Designation</th></tr><tr><td>Dato’ Jimmy Ong Chin Keng</td><td>Chairman/ INED</td></tr><tr><td>Gor Siew Yeng</td><td>Member/ INED</td></tr><tr><td>Low Hee Chung</td><td>Member/ INED</td></tr></table>	Name	Designation	Dato’ Jimmy Ong Chin Keng	Chairman/ INED	Gor Siew Yeng	Member/ INED	Low Hee Chung	Member/ INED	
		Name	Designation								
		Dato’ Jimmy Ong Chin Keng	Chairman/ INED								
		Gor Siew Yeng	Member/ INED								
Low Hee Chung	Member/ INED										
All of the INEDs have satisfied the independence test based on the criteria set out in the ACE LR.											

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The ASRC comprised of members with professional experiences covering legal, accounting, corporate finance, human resource and general management professional experience in manufacturing and commercial environment. All members are financially literate and are able to read, interpret and understand the financial statements. The diversity in skills set coupled with their financial literacy gave the ASRC the ability to effectively discharge their roles and responsibilities.</p> <p>The Board, through the NC, reviews the terms of office of the ASRC members and assesses the performance of the ASRC and its members through an annual Board Committee effectiveness evaluation.</p> <p>The ASRC members are expected to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to enable them to sustain their active participation during deliberations.</p> <p>The Chairman and members of the ASRC are financially literate.</p> <p>Based on the outcome of the ASRC effectiveness assessment of the Board Effectiveness Evaluation 2024/2025, the Board was satisfied with the ASRC's performance as its Chairman and members possess the necessary knowledge, experience, expertise and skills which contributed to the overall effectiveness of the ASRC and have carried out their duties in accordance with the Terms of Reference . The ASRC was involved in the following:-</p> <p><b>Financial Reporting</b></p> <p>In overseeing the Company's financial reporting, the ASRC reviewed the following prior to recommending them for approval by the Board and issuance to the shareholders: -</p>

	<ul style="list-style-type: none"> <li>• Reviewed quarterly unaudited financial results of the Group before recommending to the Board for its consideration and approval and subsequent announcement to Bursa Securities.</li> <li>• Reviewed audited financial statements of the Company and the Group before recommending to the Board for its consideration and approval.</li> <li>• Reviewed the Company's compliance, in particular, the quarterly and year-end financial statements, with the ACE LR, applicable approved accounting standards of the Malaysian Accounting Standards Board and other relevant legal and statutory requirements.</li> <li>• Reviewed pertinent issues, which might have significant impact on the results of the Group, including receivables, inventory management, bank borrowings, investments and divestments and strategic operations of subsidiaries.</li> <li>• Reviewed any recurrent related party transactions of revenue and trading nature and other related party transactions entered into by the Group.</li> </ul> <p>(a) The MD &amp; CEO provided assurance to the ASRC on a quarterly basis that appropriate accounting policies had been adopted and applied consistently; that the going concern basis applied in the Annual Financial Statements and Condensed Consolidated Financial Statements was appropriate; that prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the Malaysian Financial Reporting Standards ("MFRS"); that adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the MFRS, International Accounting Standards ("IAS") and ACE LR; and that the Audited Financial Statements and quarterly Condensed Consolidated Financial Statements did not contain material misstatements and gave a true and fair view of the financial position of the Group and the respective companies within the Group for FY2025.</p> <p>(b) The External Auditors, also confirmed to the ASRC that it has complied with the ethical requirements regarding independence, with respect to the audit of the Group in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants; has not, up to the date of the Annual Report, identified any significant accounting and audit issues during the course of audit.</p> <p>(c) The External Auditors presented their Independent Auditors' Report on the Annual Financial Statements for FY2025 together with the key audit matters.</p> <p><b><u>Continuous Education</u></b></p> <p>The ASRC members were invited to various training programmes to keep abreast of relevant industry developments including accounting</p>
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	and auditing standards, business practices and rules, to address any skills or knowledge gaps according to their needs. The details training attended are disclosed under Practice 6.1 of this CG Report.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



## Intended Outcome

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

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

## Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is committed to the continuous improvement of internal control and risk management practices within the Group to meet its business objectives. The Board affirms its overall responsibility to establish a sound risk management framework and internal control system, and for reviewing the adequacy, integrity and effectiveness of these systems to safeguard shareholders' investment and the Group's assets. It covers not only financial controls but operational and compliance controls, and risk management.</p> <p>However, such systems, by their nature, can only provide reasonable, but not absolute, assurance against hindering the Group achieving its business objectives, material misstatement, loss and fraud. These systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives of the Group.</p> <p>A formal risk management framework has been established with the aim of setting clear guidelines in relation to the level of risks acceptable to the Group. The framework is also designed to ensure proper management of risks that may impede the achievement of the Group's strategic business objectives.</p> <p>The level of risk tolerance is expressed through the use of a risk impact and likelihood matrix with an established risk tolerance boundary demarcating those risks that are deemed to have "exceeded risk tolerance" and those that have not. Clear risk treatment guidance is in place stipulating the actions to be taken for each type of risk.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

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

## Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board via the RMC oversees the risk management matters of the Group, which include identifying, evaluating, monitoring, treating and mitigating significant risks across the Group. The RMC also assists the Board to fulfil its responsibilities with regard to risk governance and risk management in order to manage the overall risk exposure of the Group. The RMC is also responsible for overseeing the compliance and business continuity functions of the Group.</p> <p>The RMC reviews with the ASRC and recommends for the Board's consideration and approval, the risk management principles, frameworks and policies for managing risks within the Group. The RMC also monitors and assesses the risk appetite and risk tolerance of the Group, so as to safeguard the shareholders' investments and the Group's assets.</p> <p>The Group has an established and structured process for the identification, assessment, communication, monitoring as well as continual review of risks and effectiveness of risk mitigation strategies and controls at the divisional and enterprise levels. The analysis and evaluation of risks are guided by approved risk criteria. The Group also has risk management tools to support the risk management process and reporting.</p> <p>During FY2025, on 23 May 2024 and 28 November 2024, the RMC presented to the ASRC and Board the risk assessment, summary of action plans and updated risk registers of the Group. The Board at its meeting held considered the residual risk severity of the key risks of the Group and took into consideration the potential impact from any foreseeable future event or situation which could adversely affect the strategic objectives of the Group. The RMC regularly monitors the key risks facing the business in order to stay current on governance practices relating to the risk.</p> <p>For more details on this Practice, please refer the Statement on Risk Management and Internal Control of the Annual Report 2025.</p>
<b>Explanation for departure</b>	:	

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

**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

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

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	<p>This Practice is not adopted in view that the Company does not fall within the definition of "Large Companies".</p> <p>A management level RMC was established on 11 April 2013.</p> <p>Presently, Mr. Yong Chan Cheah, the Group MD &amp; CEO chairs the RMC.</p>

### Intended Outcome

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

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Presently, the Company has outsourced the internal audit (“IA”) function to JWC Consulting Sdn. Bhd. (“JWC”), an outsourced professional consulting firm. The risk based IA plan was circulated to the ASRC prior to the execution of the assignment. Findings arising from the IA exercise were reported and discussed at the ASRC meeting.</p> <p>IA is carried out to assess the adequacy and integrity of the internal control system of the Group based on the IA plan reviewed and approved by the ASRC. Based on the audits, the internal auditors will advise management on areas of improvement and subsequently, initiate follow-up actions to determine the extent of implementation of their recommendations.</p> <p>The IA engagements were carried out based on the IA plan as approved by the ASRC. The results of the audits as disclosed in the IA reports were reviewed by the ASRC. The relevant Management members were made responsible for ensuring that corrective actions on reported weaknesses were taken within the required timeframes. IA conducted follow-up audits on key engagements to ensure that the corrective actions were implemented appropriately. In this respect, IA has added value by enhancing the governance, risk management and control processes within the Group.</p> <p>During the year under review, the internal auditors have not reported any significant weaknesses in the system of internal controls of the Group. The activities of the internal auditors during the financial period are set out in the ASRC Report in the Annual Report 2025.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 11.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All auditing endeavours are conducted in compliance with the Institute of Internal Auditors' ("IIA") Definition of Internal Auditing, Code of Ethics and the International Standards for Professional Practice of Internal Auditing.</p> <p>The IA team from JWC is led by Ms. Joyce Wong Ai May, the executive director who is a Member of the Malaysian Institute of Accountants, a fellow member of Certified Practising Accountant (CPA) Australia and a corporate member of the Institute of Internal Auditors Malaysia.</p> <p>JWC and its personnel are not related to any of the Directors of the Group and have no conflict of interest with the Group.</p> <p>The internal audit is carried out in accordance with the IA Plan as approved by the ASRC and all audit findings arising therefrom are reported directly to the ASRC.</p> <p>The ASRC also satisfied that the IA function is performed in accordance with the IIA's Definition of Internal Auditing and Code of Ethics and that it conforms to the International Standards for Professional Practice of Internal Auditing. This would enable the IA function to continuously deliver value-added assurance to the Group and to support the Group in achieving its corporate and strategic objectives.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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## Intended Outcome

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

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

### Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is mindful on the importance of maintaining a proper corporate disclosure procedure with the aim to provide shareholders and investors with comprehensive, accurate and quality information on a timely basis. Personnel and working team for preparing the disclosure will conduct due diligence and proper verification, as well as coordinate the efficient disclosure of material information to the investing public.</p> <p>Presently, the Board and management of Company communicate regularly with its shareholders and other stakeholders through the following channels of communication:</p> <ol style="list-style-type: none"><li>1. Website of Bursa Securities The Company releases all material information publicly through Bursa Securities and the shareholders and the public in general may obtain such announcements and financial information from the website of Bursa Securities.</li><li>2. Company Website Our Company's website, <a href="http://www.ybsinternational.com">www.ybsinternational.com</a> incorporates an Investor Relations section which provides all relevant information on the Company and is accessible by both the shareholders and general public. This Investor Relations section is provided to enhance the Investor Relations function by including all the announcements made by the Company.</li></ol> <p>The Group MD &amp; CEO or in his absence, his appointed representative, is the designated spokesperson for all matters related to the Group.</p> <p>The Company will enhance the disclosures on its website for broader and effective dissemination of information to its stakeholders from time to time.</p>
<b>Explanation for departure</b>	:	



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

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

**Intended Outcome**

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

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

**Practice 12.2**

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

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

### Intended Outcome

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

### Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company despatched the notice of 22<sup>nd</sup> AGM on 31 July 2024 for holding the said AGM on 29 August 2024 where the notice was given to the shareholders at least 28 days prior to the meeting.</p> <p>The notice of the upcoming 23<sup>rd</sup> AGM will also be sent at least 28 days prior to the meeting.</p> <p>The adequate time given to shareholders allows them to make necessary arrangements to attend and participate either in person, by corporate representative, by proxy or by attorney.</p> <p>The notice of the AGM where applicable, include details of the resolutions proposed accompanied with explanatory statement or recommendations that are relevant for the proposed resolution to facilitate better understanding and enable shareholders to make an informed decision in exercising their voting rights.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

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

**Practice 13.2**

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	<p>All Directors have attended the 22<sup>nd</sup> AGM of the Company held at Room 5, Level 1, Ixora Hotel, 3096, Jalan Baru, Bandar Perai Jaya, 13600 Perai, Pulau Pinang on 29 August 2024.</p> <p>The Chairman of the ASRC, NC and RC together with the Senior Management team of the Group were in attendance at the AGM. They interacted with shareholders/proxies and had provided adequate response and answers to queries raised by the shareholders/proxies during the AGM.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate—

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

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The 22<sup>nd</sup> AGM was held physically at an easily accessible location without the option for remote participation and did not implement any technology to enable absentee voting.</p> <p>The Shareholders who were unable to attend the AGM in person are strongly encouraged to appoint the Chairman of the 22<sup>nd</sup> AGM to act as proxy to attend and vote at the 22<sup>nd</sup> AGM on their behalf by submitting the proxy form with pre-casted voting instruction.</p> <p>The Company has made available an Administrative Guide to ensure the health and safety of attendees at the 22<sup>nd</sup> AGM. The Administrative Guide can be accessed on the Company's website at <a href="http://www.ybsinternational.com">www.ybsinternational.com</a> or by scanning the QR code provided on the notification card.</p> <p>The Company will consider leveraging on technology to facilitate remote shareholders’ participation and e-voting should this become the norm in future.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board regards its AGM as an opportunity to communicate directly with shareholders and endeavour to encourage shareholders to participate in these meetings. The Board had also taken the necessary steps to address the questions and concerns raised by shareholders during the general meeting.</p> <p>Furthermore, the Board also provided verbal responses to address the questions and concerns raised by Minority Shareholders Watch Group ("MSWG") during the 22<sup>nd</sup> AGM.</p> <p>All Directors and senior management, Company Secretary and external auditors were present during 22<sup>nd</sup> AGM to engage with shareholders to address any areas of interest or concern brought up by the shareholders.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>			
<b>Application</b>	:	Not applicable – only physical general meetings were conducted in the financial year	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The minutes of the 22 <sup>nd</sup> AGM of the Company was made available on the Company's website at <a href="http://www.ybsinternational.com">www.ybsinternational.com</a> within thirty (30) business days after the conclusion of the 22 <sup>nd</sup> AGM.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



## **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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