# CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

The Board of Directors of YBS International Berhad ("**YBS**" or "**the Company**") ("**Board**") is committed to implementing and maintaining high standards of corporate governance practices that are premised on the notions of transparency, accountability and integrity with a view to enhance stakeholders' value.

This statement provides an overview of the Company's corporate governance practices during the financial year ended 31 March 2026 ("**FY2026**") with reference to the 3 Principles as set out in the Malaysian Code on Corporate Governance 2021 ("**MCCG**" or "**the Code**"). The Company's application of each Practice set out in MCCG during FY2026 is disclosed in the Company's Corporate Governance Report ("**CG Report**") which is available on the Company's website at www.ybsinternational.com as well as via the Company's announcement made to Bursa Malaysia Securities Berhad ("**Bursa Securities**").

This statement is prepared in compliance with ACE Market Listing Requirements of Bursa Securities ("**ACE LR**") and it is to be read together with the CG Report.

The Board recognises the importance of good corporate governance and is committed to ensure that good corporate governance is being practised by YBS and its subsidiaries ("**the Group**") in order to safeguard stakeholders' interests as well as enhancing shareholders' value. The Board has continued its efforts in raising the bar in the Company's corporate governance standards set out in the Code through various measures for implementation from time to time.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### 1. Board of Directors

As at FY2026, the Board of YBS comprises of six (6) members; one (1) Managing Director & Chief Executive Officer ("**MD & CEO**") and one (1) Executive Director who are actively involved in the day-to-day management and operations of the Company and four (4) Independent Non-Executive Directors ("**INED**"):

| Directors | Designation |
|---|---|
| Dato' Dr. Mohd Sofi Bin Osman | Independent Non-Executive Director/Chairperson |
| Yong Chan Cheah | Managing Director & Chief Executive Officer |
| Dato' Jimmy Ong Chin Keng | Independent Non-Executive Director |
| Yong Li-Xiang<br>*(Appointed on 01 October 2025)* | Executive Director |
| Najihah Binti Abas<br>*(Appointed on 01 October 2025)* | Independent Non-Executive Director |
| Gor Siew Yeng<br>*(Retired on 01 July 2026)* | Independent Non-Executive Director |

The background, experiences and qualifications of the Directors are set out under the Profile of Directors in this Annual Report.

All concerns regarding the Group can be conveyed to any one of the Directors and/or will be deliberated by all Directors during board meetings. As such, the Board has not appointed a Senior Independent Director to whom concerns regarding the Group may be conveyed.

The Board meets at least four (4) times a year at quarterly intervals with additional meetings convened as necessary. Throughout FY2026, the Board held a total of six (6) meetings. The purpose of these meetings was to discuss and deliberate on a wide range of matters pertaining to the Group. These included reviewing and analysing the Group's quarterly operations and financial results, evaluating major investments and strategic decisions, assessing business plans, reviewing and approving related party transactions, and conflict of interest (if any), and addressing any other strategic issues that could potentially impact the Group's businesses. By convening regular board meetings, the Board ensures that important matters are thoroughly considered, enabling effective decision-making and strategic planning.

# CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (CONT'D)

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

## 1. Board of Directors (Cont'd)

The attendance of Directors of the meetings of the Board and Board Committees (defined below) held during FY2026 is as tabulated below:

| Directors | Board | ASRC | NC | RC |
|---|---|---|---|---|
| Dato' Dr. Mohd Sofi Bin Osman | 6/6 | - | - | - |
| Yong Chan Cheah | 6/6 | - | - | - |
| Dato' Jimmy Ong Chin Keng | 6/6 | 6/6 | 2/2 | 4/4 |
| Yong Li-Xiang *(Appointed on 01 October 2025)* | 2/2 | - | - | - |
| Najihah Binti Abas *(Appointed on 01 October 2025)* | 2/2 | 2/2 | - | 1/1 |
| Gor Siew Yeng *(Retired on 01 July 2026)* | 6/6 | 6/6 | 2/2 | 4/4 |
| Low Hee Chung *(Retired on 31 July 2025)* | 3/3 | 3/3 | 1/1 | 2/2 |

## 2. Board Responsibilities

The Board is responsible for oversight and overall management of the Company and the delivery of sustainable value to its stakeholders. To ensure the effective discharge of its function and responsibilities, the Board established an internal governance model for delegating of specific powers of the Board to the relevant board committees namely Audit, Sustainability and Risk Committee ("**ASRC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") (collectively the "**Board Committees**"), Group MD & CEO and the Key Senior Management ("**KSM**") of the Company and respective subsidiaries.

The Board is guided by an established Board Charter which stipulates the roles and responsibilities of the Board, Board Committees, Executive Directors, Independent Directors, Chairperson, matters reserved for the Board's decision, as well as processes and practices which the Board and Directors are required to adhere to. All Directors are further required to observe the Directors' Code of Ethics which aligns the duties of a Director with good corporate governance practices, including addressing conflict of interest.

The Board plays an active role in the development of the Group's strategy. The Board reviews and approves the business plan recommended by the Management. The Board has direct access to KSM and has unrestricted and immediate access to information relating to the Group's business and affairs in the discharge of their duties. The Board will consider inviting the KSM to attend meetings to report on major issues relating to their respective responsibilities.

The Board Committees are entrusted with specific responsibilities to oversee the Group's affairs, with authority to act on behalf of the Board in accordance with their respective Terms of Reference ("**TOR**"). The chairperson of the relevant Board Committees also report to the Board on key issues deliberated by the Board Committees at their respective meetings.

The Board Charter and TOR of the respective Board Committees are published on the Company's website at www.ybsinternational.com.

<u>Chairperson of the Board</u>
The Chairperson of the Board, Dato' Dr. Mohd Sofi Bin Osman is an Independent Non-Executive Director who chairs and leads the Board meetings by encouraging and eliciting the views of all the Board members. He ensures that proper weightage and time are given to issues of corporate governance, business operations and strategies raised in the Board meetings.

# CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (CONT'D)

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

2. **Board Responsibilities** (Cont'd)

<u>Separation of roles of Chairperson and CEO</u>
The Board maintains a clear distinction between the roles of the Chairperson and the Group MD & CEO. These positions are held by different individuals with distinct responsibilities, roles and duties to ensure a balance of power and authority, increased accountability and greater capacity of the Board for independent decision-making.

The Chairperson is responsible for the Board's effectiveness and conduct. He also promotes an open environment for debate and ensures effective contributions from Non-Executive Directors. The Chairperson also exercises control over the quality, quantity and timeliness of information flow between the Board and Management. At a general meeting, the Chairperson plays a role in fostering constructive dialogue between shareholders, Board and Management.

The Group MD & CEO oversees the day-to-day operations of the business, making strategic business decisions and implementing Board policies.

<u>Chairperson of the Board shall not be a member of the Board Committees</u>
The Board views that the Chairperson of the Board should not be appointed as member in any Board Committees. This is to ensure a due check and balance as well as ensuring objectivity will not be impaired/influenced by the Chairperson of the Board. Therefore, the Chairperson of the Board is not a member of any of the Board Committees which is in line with MCCG.

<u>Qualified and Competent Company Secretary</u>
The Company Secretary is qualified to act as company secretary under Section 235(2) of the Companies Act 2016. She is competent, qualified and capable of carrying out her duties and providing support to the Board in the discharge of her fiduciary duties.

The Board is satisfied with the performance and support provided by the Company Secretary. The Company Secretary serves as a valuable resource for the Directors, offering advice and assistance as needed.

One of the key responsibilities of the Company Secretary is to keep the Board informed about any updates or changes in statutory and regulatory requirements that are relevant to the duties and responsibilities of Directors. This includes notifying the Board about new laws, regulations, or guidelines that may impact the Group and its Directors. By staying updated on these matters, the Board can ensure compliance and understand the potential implications and consequences that may arise. Hence, the Company Secretary has and will constantly keep herself abreast, through continuous training on the regulatory changes and development.

The Company Secretary, or her representatives, attend and ensure that all Board and Board Committees meetings are properly convened. The 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.

<u>Access to Information and Advice</u>
The Board recognises that the decision-making process is highly dependent on the quality of information available. The Directors have individual and independent access to the advice and dedicated support services of the Company Secretary in ensuring the effective functioning of the Board. Generally, the meeting papers for the Board Meeting and/or respective Board Committees meetings are circulated at least seven (7) days prior to the meetings. In promoting productive discussions 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 Group's and of the Company's operations or business concerns from them.

Furthermore, any actions or decisions taken during previous meetings are reported and followed up on in subsequent meetings. This allows for proper tracking and accountability, ensuring that the resolutions and tasks identified in earlier meetings are addressed and progress is made.

In addition, the Board may seek independent professional advice at the Company's expense on specific issues to enable it to discharge its duties in relation to matters being deliberated. Individual Directors may also obtain independent professional or other advice in furtherance of their duties, subject to the approval of the Board, depending on the quantum of the fees involved.

# CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (CONT'D)

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

3. **Demarcation of Responsibilities**

Board Charter
The Board Charter clearly sets out the roles and responsibilities of the Board, Board Committees, Chairperson, Executive Directors and Independent Directors as well as the processes and procedures for convening their meetings. It serves as a reference and primary induction literature providing prospective and existing Board members and Management insights into the fiduciary and leadership functions of the Directors of YBS.

The Board Charter is subject to periodical review by the Board to ensure that it remains relevant and consistent with the Board's roles and responsibilities, changing needs of the Company as well as any development in the prevailing legislation and practices.

The Board Charter is published on the Company's website at www.ybsinternational.com.

4. **Good business conduct and corporate culture**

Code of Ethics
The Company's Code 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:

(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; and
(b) To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administrating the Group.

The Code of Ethics is published on the Company's website at www.ybsinternational.com.

Whistleblowing Policy
YBS has in place the Whistleblowing Policy that fosters an environment in which integrity and ethical behavior are maintained and any illegal or improper actions and/or wrong doings in the Group may be exposed.

The Whistleblowing Policy is published on the Company's website at www.ybsinternational.com.

Anti-Bribery and Anti-Corruption Policy
With the adoption of the Anti-Bribery and Anti-Corruption Policy ("**ABC Policy**"), YBS has a zero-tolerance approach towards bribery and corruption in any form and is committed to behaving professionally, fairly and with integrity in all business dealings. The ABC Policy elaborates upon those principles and provides guidance on how to deal with improper solicitation, bribery and other corrupt activities that may arise in the course of business. The ABC Policy is applicable to all employees, directors, contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of the Group.

The ABC Policy is published on the Company's website at www.ybsinternational.com.

Directors' Fit and Proper Policy
The Company has in place a Directors' Fit and Proper Policy to ensure that individuals who possess the right qualification, expertise, competence and integrity are appointed as Directors in the Group. All candidates to be appointed and seeking re-election as Directors in the Group, shall undergo a fit and proper review accordance with the Directors' Fit and Proper Policy.

The Directors' Fit and Proper Policy is published on the Company's website at www.ybsinternational.com.

# CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (CONT'D)

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

4. **Good business conduct and corporate culture** (Cont'd)

Sustainable Practice
The Board recognises that sustainable development is an important and integral part of the Group's pursuit of its long-term business success. The Board is responsible for the development of the Group's sustainability strategies.

The management continues to engage with stakeholders to seek feedback and viewpoints that would be useful to the Group in developing sustainability targets and implementation strategies. The Board will meet and discuss key sustainability matter at least once a year.

The Directors have been and will continue to attend training to keep abreast of development on sustainability as well as regulations and guidance on current and emerging environmental that may affect the Group.

The Board recognises the importance of sustainability in all its business operations and had included sustainability as one of the criteria in the performance evaluations of board members. The annual evaluation of the Directors, the Board and Board Committees for FY2026 included assessment on Board's understanding of sustainability issues. Do refer the Sustainability Statement which outlined sustainability activities by the Group.

The Group MD & CEO is the designated person leading the Group's sustainability initiatives.

5. **Board Composition**

As at FY2026, the Board comprised of six (6) members with one (1) MD & CEO, one (1) Executive Director and four (4) INEDs. This composition complies 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. Following the retirement of Ms. Gor Siew Yeng on 01 July 2026, the Board is still in compliance with Rule 15.02 of the ACE LR.

The Board recognises the benefits of having a diverse Board to ensure that the mix and profiles of the Board members in terms of age, ethnicity and gender, provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management.

In the event of any vacancy in the Board resulting in non-compliance with the above, the Company will fill the vacancy within three (3) months. The Board is of the opinion that the interests of shareholders of the Company are fairly represented by the current Board composition and its size constitutes an effective Board of the Company.

The presence of the four (4) Independent Non-Executive Directors during FY2026 provides guidance, unbiased, fully balanced and independent views, advice and judgement to many aspects of the Group's strategy so as to safeguard the interests of minority shareholders and to ensure that high standards of conduct and integrity are maintained by the Group.

The Board has not nominated a Senior Independent Non-Executive Director to whom concerns may be conveyed as the Board is of the opinion that given the strong independent element of the Board, any concerns regarding the Group may be conveyed by shareholders or investors to the MD & CEO at the following address and such concerns will be reviewed and addressed by the Board accordingly:

Mr. Yong Chan Cheah
YBS International Berhad
No. 978 (also known as PT830)
Lorong Perindustrian Bukit Minyak 20,
Taman Perindustrian Bukit Minyak,
14100 Simpang Ampat, Pulau Pinang, Malaysia.
Tel No.: 04-508 8623
Email: investorrelation@ybsinternational.com

# CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (CONT'D)

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

5. **Board Composition** (Cont'd)

Nominating Committee
As at FY2026, the NC comprises three (3) members, all of whom are INEDs as tabulated below:

| Name | Position |
|---|---|
| Dato' Jimmy Ong Chin Keng | Chairperson |
| Najihah Binti Abas | Member |
| Gor Siew Yeng *(Retired on 01 July 2026)* | Member |

Following the retirement of Ms. Gor Siew Yeng on 01 July 2026, the NC comprised of two (2) INEDs. The Board will fill the vacancy to ensure the NC comprises of three (3) members in accordance with the TOR of the NC.

The NC assumes the following core responsibilities:

(a) formulating the nomination, selection and succession policies for members of the Board;
(b) review the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board annually;
(c) consider the election criteria and develop procedures for the sourcing and election of candidates to stand for election by the Company's shareholders or to fill casual vacancies of Directors;
(d) identify and nominate candidates to the Board for it to recommend to shareholders for election as Directors;
(e) undertake an assessment of its independent Directors annually and justify the retention of independent Directors who have served more than 9 years;
(f) review the training needs for the Directors regularly; and
(g) establishing 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.

There were two (2) meetings held by the NC during the FY2026 with full attendance by all members. The activities carried out by the NC during FY2026 in discharging its functions were as follows, amongst others:

(a) reviewed the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board;
(b) undertaken an assessment of the independence of its Independent Directors;
(c) recommended to the Board on those Directors who retire pursuant to Constitution of the Company, and being eligible, seek for re-election at the Annual General Meeting ("**AGM**");
(d) reviewed and recommended the continuation in office of the INED who has served beyond 9 years;
(e) reviewed and recommended the appointment of new Executive Director and INED in the Company;
(f) reviewed the training needs for the Directors; and
(g) reviewed the composition of the ASRC.

Details of the NC TOR is available at the Company's website at www.ybsinternational.com.

Appointment of New Directors to the Board
The NC is responsible for ensuring that the procedures for appointing new Directors are transparent and rigorous, with appointments based on merit. The NC is guided by the Directors' Fit and Proper Policy in evaluating the suitability of individuals for appointments as new Directors.

It has been a practice of the Company that NC will carry out an interview with the candidate 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 of meeting the current and future needs of the Board composition. The NC also evaluates the candidates' character integrity and ability to commit sufficient time to the Company.

The Board does not have a specific policy on gender diversity but remains committed to promoting fair and equal opportunities and fostering diversity across the Group.

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

5. **Board Composition** (Cont'd)

Tenure of Independent Directors and Annual Assessment of Independence
The Board acknowledges the vital role of Independent Directors in ensuring proper checks and balances on the Board. Their ability to provide unbiased and independent views and perspectives in Board deliberations and decision making is essential in safeguarding the interests of the Group and the minority shareholders.

The NC played an important role in assisting the Board to assess the independence of INEDs of the Company on an annual basis. Based on the assessment conducted by the NC for FY2026, the Board is generally satisfied with the level of independence demonstrated by all the Independent Directors of the Company and their ability to act in the best interest of the Group.

The NC develops the criteria to assess independence of Independent Director, including but not limited to directors' background, family relationships, interest of shareholdings in the Company and related party transactions with the Group (if any).

Other factors considered for the appointment of Independent Directors will include the level of independence of the candidate. The candidate for appointment as independent director must be one who is not a member of Management and who is free from any business or other relationship which could interfere with the exercise of independent judgment or the ability to act in the best interest of the Company and the Group.

The NC leads the process of identifying and making recommendations for the Board's approval on suitable candidates for directorship to the Board and members to the Board Committees. The Board will then, based on the recommendation of the NC, evaluate and decide on the appointment of the proposed candidate.

The NC will assess the potential candidate's suitability and the candidates are required to declare and confirm in writing their independence based on the criteria on independence as set out in the ACE LR.

The NC will also review the composition of respective Board Committees of the Company to ensure its effectiveness in functioning.

Re-election of Directors
The Company's Constitution provides that one-third of the Directors for the time being, or if their number is not 3 or a multiple of 3, then the number nearest to one-third, shall retire from office at each AGM. Each Director shall retire once at least in each 3 years but shall be eligible for re-election.

Board Evaluation
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 review 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.

On 16 July 2026, an assessment of the effectiveness of the Board, respective Board Committees and Independence was carried out in respect of FY2026. An appraisal form which encompasses quantitative and qualitative performance criteria to evaluate the performance of each member of the Board as well as each Board Committee, was circulated at the NC meeting for assessment. The NC reviewed the required mix of skills, experience and other qualities of the Board and Board Committees and agreed that they have the necessary mix of skill, experience and other qualities to serve effectively.

Notwithstanding the recommendation of the MCCG, 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.

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. In addition, the Board also strives to broaden the diversity of the Board and KSM from time to time.

# CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (CONT'D)

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

5. **Board Composition** (Cont'd)

The skillsets and diversity of the existing Board are summarised as follows:

| | Industry / Background Experience | | | | | | | | By Composition | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Age | | | Ethic | | Gender | |
| Directors | Technology | Marketing | Precision Metal Industrial | Precision Stamping Industrial | Corporate | Accounting / Finance | Internal Audit | Law / Legal | 20 – 29 years | 50 – 59 years | 60 – 69 years | Bumiputra | Chinese | Male | Female |
| Dato Dr. Mohd Sofi Bin Osman | √ | √ | √ | √ | √ | √ | √ | | | | √ | √ | | √ | |
| Yong Chan Cheah | √ | √ | √ | √ | √ | √ | √ | | | √ | | | √ | √ | |
| Dato' Jimmy Ong Chin Keng | | | | | √ | √ | √ | | | | √ | | √ | √ | |
| Yong Li-Xiang<br>*(Appointed on 01 October 2025)* | √ | √ | √ | √ | | | | | √ | | | | √ | √ | |
| Najihah Binti Abas<br>*(Appointed on 01 October 2025)* | √ | √ | | | √ | √ | | √ | | √ | | √ | | | √ |
| *Gor Siew Yeng*<br>*(Retired on 01 July 2026)* | | √ | √ | √ | √ | | √ | √ | | | √ | | √ | | √ |

<u>Time Commitment</u>
The Board meets on a quarterly basis with additional meetings held whenever necessary. During FY2026, the level of time commitment given by the Directors was satisfactory, which was evidenced by the attendance record of the Directors at the Board and Board Committees' meetings held.

All the Directors have complied with the minimum requirement of at least 50% on attendance of Board meetings during the financial year as stipulated in the ACE LR.

In addition, all of the Directors do not hold more than 5 directorships in other public listed companies as required under Rule 15.06 of the ACE LR to enable the Directors to discharge their duties effectively by ensuring that their commitment, resources and time are more focused. The Board members must notify the Chairperson before accepting any new directorship in other public listed companies.

The Directors are also required to submit an update on their other directorships from time to time for monitoring of the number of directorships held by the Directors of YBS and for notification to Companies Commission of Malaysia accordingly.

To facilitate the Directors' time planning, an annual meeting calendar is prepared and circulated to all Directors before the beginning of every calendar year.

<u>Directors' Training and Development</u>
The Board acknowledges that continuous education is vital to gain insight into the state of economy, technological advances, regulatory updates and management strategies to enhance the skills and knowledge in discharging its responsibilities.

The Directors are mindful that they should continue to attend training courses and professional programmes to enhance their skills and knowledge where relevant, as well as to keep abreast of the changing regulatory and corporate governance developments as well as developments in the business environment, which can complement their services to the Group.

# CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (CONT'D)

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

5. **Board Composition** (Cont'd)

The details of trainings attended by the Directors during FY2026 are as follows:

| Director | Date | Description |
|---|---|---|
| Dato' Dr. Mohd Sofi Bin Osman | 08/10/2025 | Mental Health and Wellbeing Conference |
| | 31/10/2025 | Engagement session with Bursa Malaysia |
| Yong Chan Cheah | 17/04/2025 | MAIA : Avionics Workshop – Connecting Aerospace and E&E Synergy for Success |
| | 24/06/2025 | Penang SME Forum 2025 : Strategies for Scaling Up in a Competitive Market |
| | 28/08/2025 | Economic & Market Development Conference 2025 |
| Dato' Jimmy Ong Chin Keng | 26/03/2026 | Strengthening ESG Governance, Compliance & Rating Readiness |
| Yong Li-Xiang *(Appointed on 01 October 2025)* | 30/03/2026 – 31/03/2026 | Radiation Safety Refresher - Competent Training |
| Najihah Binti Abas *(Appointed on 01 October 2025)* | 08/12/2025 – 09/12/2025 | Mandatory Accreditation Programme Part I |
| Gor Siew Yeng *(Retired on 01 July 2026)* | 14/08/2025 | AI for Workplace Optimization: Smarter Ways to Work with Copilot |

6. **Remuneration**

The Company's remuneration policy for Directors is formulated to attract and retain individuals of the necessary calibre 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.

Market survey data on the remuneration practices of comparable companies is taken into consideration in determining the remuneration packages for the Directors and key senior management.

The details of the Directors' remuneration comprising remuneration received/receivable from the Company and its subsidiaries during FY2026 are as follows:

| Name of Directors | Fees RM | Salaries, Bonuses, EPF & Other Emoluments RM | Allowances RM | Employees' share option scheme expenses RM | Benefit-in-kinds RM | Total RM |
|---|---|---|---|---|---|---|
| ***Non-Executive*** | | | | | | |
| Dato' Dr. Mohd Sofi Bin Osman | 71,976 | - | 10,000 | - | - | 81,976 |
| Dato' Jimmy Ong Chin Keng | 59,976 | - | 21,000 | 5,805 | - | 86,781 |
| Low Hee Chung *(Retired on 31 July 2025)* | 15,995 | - | 8,000 | 7,739 | - | 31,734 |
| Gor Siew Yeng *(Retired on 01 July 2026)* | 49,980 | - | 19,750 | 5,805 | - | 75,535 |
| Najihah Binti Abas *(Appointed on 01 October 2025)* | 25,504 | - | 6,000 | - | - | 31,504 |

# CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (CONT'D)

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

6. **Remuneration** (Cont'd)

| Name of Directors | Fees RM | Salaries, Bonuses, EPF & Other Emoluments RM | Allowances RM | Employees' share option scheme expenses RM | Benefit-in-kinds RM | Total RM |
|---|---|---|---|---|---|---|
| ***Executive*** | | | | | | |
| Yong Chan Cheah | - | 1,404,137 | 8,000 | - | 17,962 | 1,430,099 |
| Yong Li-Xiang *(Appointed on 01 October 2025)* | - | 110,266 | 3,000 | - | - | 113,266 |
| **Received/receivable from the Company** | **223,431** | **1,514,403** | **75,750** | **19,349** | **17,962** | **1,850,895** |
| ***Non-Executive*** | | | | | | |
| Dato' Dr. Mohd Sofi Bin Osman | - | - | - | - | - | - |
| Dato' Jimmy Ong Chin Keng | - | - | - | - | - | - |
| Low Hee Chung *(Retired on 31 July 2025)* | - | - | - | - | - | - |
| Gor Siew Yeng *(Retired on 01 July 2026)* | - | - | - | - | - | - |
| Najihah Binti Abas *(Appointed on 01 October 2025)* | - | - | - | - | - | - |
| | | | | | | |
| ***Executive*** | | | | | | |
| Yong Chan Cheah | - | - | - | 86,761 | - | 86,761 |
| Yong Li-Xiang *(Appointed on 01 October 2025)* | - | - | - | - | - | - |
| **Received/receivable from the subsidiaries** | **-** | **-** | **-** | **86,761** | **-** | **86,761** |
| **Total Group** | **223,431** | **1,514,403** | **75,750** | **106,110** | **17,962** | **1,937,656** |

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.

# CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (CONT'D)

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### 1. Audit, Sustainability and Risk Committee

The ASRC comprises solely of independent directors and none of the ASRC members were former key audit partners. The ASRC is chaired by an INED, Dato' Jimmy Ong Chin Keng who is a Chartered Accountant and holds a professional qualification from the Malaysian Institute of Certified Public Accountants and is a member of Malaysian Institute of Accountants ("**MIA**"), which is in compliance with Rule 15.09(1)(c) of the ACE LR.

None of the members of the ASRC and the Board were former key audit partners. The Board will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the ASRC was a key audit partner.

Annually, the composition of ASRC is reviewed by the NC and recommended to the Board for its approval. With the view to maintain an independent and effective ASRC, the NC ensures that only an INED who is financially literate, possess the appropriate level of expertise and experience, and has strong understanding of the Company's business would be considered for membership in ASRC.

The ASCR Report as set out in this Annual Report, provides the details of the ASRC's activities which among others, include the annual assessment on the suitability, objectivity and independence of the external auditors.

The roles and responsibilities of the ASRC are spelt out in the TOR of the ASRC which is available in the Company's website at www.ybsinternational.com.

### 2. Risk Management and Internal Control Framework

The Board fulfills its responsibilities in the risk governance and oversight functions through its Risk Management Committee ("**RMC**") in order to manage the overall risk exposure of the Group. The RMC assessed and monitored the efficacy of the risk management controls and measures taken, whilst the adequacy and effectiveness of the internal controls were reviewed by the ASRC in relation to internal audit function for the Group. The RMC comprises of the Group MD & CEO and management team who are familiar with the business operations of the Group. The Board is satisfied with the performance of the RMC and ASRC and their respective Chairperson in discharging their responsibilities, based on the results of the Board Committees Effectiveness Evaluation of the 2025/2026.

The Board is of the view that the internal control and risk management system in place during FY2026, is sound and sufficient to safeguard the Group's assets and shareholders' investments, and the interests of customers, regulators, employees and other stakeholders. The details of the Risk Management and Internal Control Framework are set out in the Statement on Risk Management and Internal Control of this Annual Report.

### 3. Internal Audit Function

The internal audit function of the Group is carried out by an outsourced independent professional firm, JWC Consulting Sdn. Bhd. ("**JWC**") which reports directly to the ASRC. JWC is led by Ms. Joyce Wong Ai May who is a member of both MIA and Institute of Internal Auditors Malaysia ("**IIAM**") and is sufficiently resourced to provide service level and advisory that meet with the Group's expectations.

Information on the internal auditors and the internal audit activities during FY2026 are set out in the ASRC Report in this Annual Report.

# CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (CONT'D)

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

**1. Communication with Stakeholders**

The Board recognises the importance and need for shareholders and stakeholders to be informed of all material development and performance of the Group. The information is disseminated through annual reports, circulars to shareholders, press releases, quarterly reports and announcements made from time to time to Bursa Securities. All material announcements are reviewed and endorsed by the ASRC (as applicable) and the Board prior to release to the public through Bursa Securities.

In addition, the Company's website at www.ybsinternational.com provides information on the Group's business, corporate development and announcements to Bursa Securities. Other information relevant to shareholders and investors such as annual reports, circulars and quarterly reports are available for download at the Company's website.

**2. Conduct of General Meetings**

The AGM of the Company is an important means of communicating with its shareholders. The notice of 23rd AGM held on 29 August 2025 was sent to the shareholders, proxies and corporate representatives at least twenty-eight (28) days prior to the meeting date and published in a major local newspaper. This ensures 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. Items of special business included in the notice of 23rd AGM were accompanied by an explanation of the proposed resolutions. All suggestions and comments put forth by shareholders, proxies and corporate representatives were noted by the Board for consideration.

The shareholders who were unable to attend the AGM in person were encouraged to appoint the Chairperson of the 23rd AGM to act as proxy to attend and vote at the 23rd AGM on their behalf by submitting the proxy form with pre-casted voting instruction.

All Directors and KSM were present at the 23rd AGM of the Company held on 29 August 2025. The Chairperson of the meeting also invited shareholders to raise questions pertaining to the Company's financial statements and other items for adoption at the meeting. The Directors, KSM and external auditors were in attendance to respond to the shareholders' queries.

The Board took note of the advantages of remote shareholders meeting as promoted by the MCCG. However, the Board is of the opinion that the implementation of the remote shareholders meeting will only be conducted based on various considerations taking account on the number of shareholders and their location and costs involved.

This statement is made in accordance with a resolution of the Board dated 16 July 2026.