

CORPORATE GOVERNANCE REPORT

STOCK CODE : 3158
COMPANY NAME : YNH PROPERTY BHD
FINANCIAL YEAR : June 30, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board assumes ultimate responsibility for the overall leadership, performance, and governance of the Group. It is responsible for setting the Group's strategic direction, overseeing the implementation of strategic initiatives, and ensuring that the necessary financial and human resources are in place for the Group to achieve its business objectives effectively.</p> <p>The Board also reviews Management's performance periodically to ensure that business activities are conducted in alignment with the Group's strategic plans, approved budgets, and key performance indicators ("KPIs"). Through these oversight measures, the Board seeks to ensure the long-term sustainability and success of the Group while delivering value to shareholders and other stakeholders.</p> <p>In exercising its oversight role, the Board is supported by three (3) principal Committees — the Audit Committee ("AC"), Nomination Committee ("NC"), and Remuneration Committee ("RC") — each established with clear Terms of Reference ("TOR") approved by the Board. The Committees operate within their respective TORs and report to the Board on matters deliberated, enabling informed and effective decision-making.</p> <p>The Board Charter and the TORs of the Board Committees, which set out their respective roles, responsibilities, and authorities, are published on the Company's corporate website at https://ynhb.listedcompany.com/corporate_governance.html for shareholders' and stakeholders' reference.</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

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company is led by an Executive Chairman who provides strategic leadership and guidance to the Board and Management. He plays a pivotal role in setting the overall direction of the Group and ensuring that the Board functions effectively in discharging its responsibilities for the Company's performance and governance.</p> <p>Given the Company's size, organisational structure, and strategic complexity, having an Executive Chairman is appropriate as it allows for closer alignment between the Board and Management in driving the Group's growth and operational efficiency. The Executive Chairman works closely with the Executive Directors and senior management to execute strategic initiatives, while ensuring that the principles of good corporate governance are upheld.</p> <p>The Executive Chairman's key responsibilities include:</p> <ul style="list-style-type: none">• Leading the Board in setting the Group's strategic objectives and ensuring alignment with long-term shareholder value creation;• Ensuring that meetings are conducted efficiently, with open and constructive discussions to facilitate informed decision-making;• Maintaining effective communication between the Board, Management, and shareholders; and• Chairing the Annual General Meeting ("AGM") and ensuring that shareholders' queries are addressed appropriately. <p>Although the position of Executive Chairman combines executive and leadership functions, the Board has implemented appropriate safeguards to maintain a balance of power and independent oversight. These include the presence of a majority of Independent Directors and the effective functioning of Board Committees chaired by Independent Directors.</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

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company does not have a Chief Executive Officer (“CEO”). Leadership responsibilities are divided between the Executive Chairman and the Executive Directors.</p> <p>The Executive Chairman leads the Board, focusing on strategy, governance, and compliance, and ensures the effectiveness of the Board’s performance and decision-making. Whereas the Executive Director manages day-to-day operations and executes the Board’s strategic decisions.</p> <p>This separation ensures an appropriate balance of power and authority, preventing any individual from exercising unfettered control over the Company’s operations or governance. The Board further mitigates potential risks through a majority of Independent Directors and the effective functioning of Board Committees, all chaired by Independent Directors, providing robust oversight and accountability.</p> <p>Given the Company’s size, business model, and strategic objectives, this dual leadership structure is appropriate, allowing close alignment between the Board and Management while maintaining high standards of corporate governance.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Departure
Explanation on application of the practice :	
Explanation for departure :	<p>The Chairman of the Board, Dato' Yu Kuan Huat, is currently a member of the RC. His participation in the RC allows the Board to benefit from his extensive experience in guiding executive remuneration policies and succession planning, which is particularly valuable given the Company's strategic objectives and leadership structure.</p> <p>The Board maintains strong governance safeguards to ensure independent oversight, including:</p> <ul style="list-style-type: none">• A majority of Independent Directors in the RC;• Active participation of Independent Directors in all RC deliberations; and• Clear segregation of responsibilities between the Chairman and management in remuneration decisions. <p>The Board is satisfied that, despite this departure, the RC continues to operate independently and effectively in line with good corporate governance practices.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by two (2) qualified Company Secretaries, duly certified under Section 235 of the Companies Act 2016. Both are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA), ensuring that the Company remains compliant with statutory and regulatory requirements.</p> <p>The key responsibilities of the Company Secretaries include:</p> <ul style="list-style-type: none">• Advising the Board on directors' duties, roles, and regulatory updates;• Supporting the Board in fulfilling governance and leadership responsibilities;• Managing the logistics, attendance, and minutes of Board and Committee meetings;• Overseeing the conduct of General Meetings; and• Monitoring corporate governance developments and guiding the Board on best practices. <p>In addition, the Company Secretaries provide advisory support on corporate disclosures, compliance with the Companies Act 2016, Bursa Securities' Main Market Listing Requirements, and the Malaysian Code on Corporate Governance. They also maintain up-to-date knowledge of regulatory changes and governance trends through continuous training and professional development.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to ensuring that Directors are provided with accurate, complete, and timely information to facilitate informed decision-making. Unless otherwise determined, notice of each Board meeting, including the venue, date, time, agenda, and accompanying meeting materials, is circulated to all Directors at least seven (7) days prior to the meeting. Meeting materials are prepared by Management in consultation with the Company Secretary and are reviewed for accuracy and completeness before circulation.</p> <p>Directors are encouraged to review the materials in advance and may request additional information or clarifications from Management or the Company Secretary to ensure a comprehensive understanding of the matters to be deliberated. During the Board meeting, Directors actively engage in discussions, raise questions, and provide independent judgment on issues presented.</p> <p>The Company Secretary is responsible for recording the proceedings of the Board, including matters discussed, key deliberations, decisions made, and resolutions passed, in the minutes book maintained for this purpose. The minutes also capture instances where any Director abstains from voting or participation. Upon approval, the minutes are circulated promptly to all Directors and serve as a formal record of the Board's decisions, providing transparency, accountability, and reference for follow-up actions.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted a comprehensive Board Charter that clearly sets out the roles, responsibilities, and authorities of the Board, the Chairman, individual Directors, Board Committees, and Management. The Charter also identifies key matters reserved for the Board's consideration and decision-making, ensuring a clear division of responsibilities and accountability.</p> <p>The Board Charter serves as an important reference for newly appointed Directors, enabling them to understand their fiduciary duties, responsibilities, and expectations in contributing effectively to the Board's deliberations. It also guides the Board in maintaining high standards of governance and decision-making in accordance with prevailing laws, regulations, and best practices.</p> <p>The Board undertakes periodic reviews of the Charter to ensure that it remains relevant, reflects regulatory developments, and aligns with evolving corporate governance principles. The latest version of the Board Charter is published on the Company's official website at https://ynhb.listedcompany.com/corporate_governance.html to promote transparency and accountability to shareholders and stakeholders.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

The board establishes a Code of Conduct 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 is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has implemented a comprehensive Code of Ethics and Conduct applicable to both Directors and employees, which is subject to periodic review to ensure continued relevance and alignment with best practices. The Board is committed to fostering a corporate culture across the Group that promotes ethical business conduct, professionalism, and accountability.</p> <p>The Code of Ethics and Conduct for Directors outlines the principal standards governing their fiduciary duties and responsibilities, ensuring that Directors act in the best interests of the Group. It covers, among others, provisions relating to:</p> <ul style="list-style-type: none">• Conflicts of interest;• Safeguarding confidential and insider information;• Securities trading and compliance with applicable laws and regulations;• Proper use and protection of Company assets; and• Health, safety, and environmental responsibilities. <p>The Code of Ethics and Conduct for employees sets clear expectations for integrity and ethical behaviour in all aspects of the Company's operations. It addresses the management of actual or perceived conflicts of interest, preservation of confidential information, and compliance with insider trading regulations.</p> <p>In addition, the Company has established an Anti-Bribery and Corruption ("ABC") Policy, demonstrating its commitment to conducting business with integrity, transparency, and accountability. The Group adopts a strict zero-tolerance stance towards all forms of bribery and corruption.</p> <p>Both the Code of Ethics and Conduct and the ABC Policy are published on the Company's official website at https://ynhb.listedcompany.com/corporate_governance.html,</p>

	ensuring accessibility and transparency for Directors, employees, and stakeholders.	
Explanation for departure	:	
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Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has adopted a formal Whistleblowing Policy to provide a structured mechanism for reporting concerns regarding suspected or actual misconduct, wrongdoing, corruption, fraud, misappropriation, abuse, or other improper activities within the Group.</p> <p>The Policy outlines clear procedures for stakeholders to report bona fide concerns in a secure and confidential manner, without fear of reprisal or retaliation. It provides a trusted channel for raising potential improprieties and ensures that all reports are handled responsibly and transparently.</p> <p>Whistleblowers may choose to disclose their identity or report anonymously. All reports and information are treated with strict confidentiality, and the identity of the whistleblower will not be disclosed except as required by law. Employees who report concerns in good faith in accordance with the Policy are protected against reprisals or disciplinary action, provided the report complies with the Policy's requirements.</p> <p>The Whistleblowing Policy is periodically reviewed and updated to remain relevant and effective. It is published on the Company's official website at https://ynhb.listedcompany.com/corporate_governance.html, ensuring accessibility for all stakeholders and reinforcing the Group's commitment to integrity, accountability, and ethical conduct.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors assumes ultimate responsibility for overseeing the governance of sustainability within the Group. The Board recognises that embedding sustainability considerations into the Group's strategic direction is fundamental to achieving long-term business success and safeguarding value for stakeholders.</p> <p>The Board provides leadership in setting the Group's sustainability strategies, priorities, and performance targets, ensuring that sustainability risks and opportunities are appropriately integrated into the Group's overall business strategies, key investment decisions, and risk management framework.</p> <p>Management is tasked with the implementation of sustainability initiatives and the monitoring of progress towards achieving the Group's sustainability objectives. The Board receives periodic updates from Management on the Group's sustainability performance and related developments to ensure continuous alignment with regulatory requirements and evolving stakeholder expectations.</p> <p>The Group's sustainability governance approach and key initiatives are disclosed in the Sustainability Statement within the Annual Report, which provides a comprehensive account of the Group's sustainability focus areas, performance, and ongoing commitment to responsible and transparent business practices.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 4.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises that transparent and effective communication of the Group's sustainability strategies, priorities, and performance is key to building stakeholder confidence and ensuring continued support for the Group's long-term objectives. Constructive engagement with both internal and external stakeholders enables the Group to better understand evolving expectations, identify emerging sustainability risks and opportunities, and refine its business strategies accordingly.</p> <p>The Board, supported by Management, ensures that sustainability-related information, including the Group's strategies, material sustainability matters, performance indicators, and progress towards established targets is communicated through various platforms. These include the Annual Report, the Company's official website, announcements to Bursa Malaysia, as well as direct engagements such as meetings, briefings, and consultations with key stakeholders.</p> <p>Internally, Management ensures that sustainability priorities are cascaded throughout the organisation via regular communication channels, enabling employees at all levels to align their actions with the Group's sustainability direction. Externally, the Group maintains open and transparent dialogues with its key stakeholder groups, including shareholders, investors, customers, business partners, regulators, and the local community.</p> <p>Details of the Group's stakeholder engagement approach, the methods and frequency of engagement, and key concerns raised by stakeholders, together with the Group's responses, are disclosed in the Sustainability Statement of the Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 4.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges that sustainability issues, particularly those relating to climate change, environmental stewardship, and social responsibility, can significantly impact the Group’s long-term performance and resilience. Accordingly, the Board takes proactive measures to ensure it remains well-informed and equipped to address these matters within the context of the Group’s property development and investment operations.</p> <p>Through regular updates from Management, industry briefings, and participation in relevant training and development programmes, the Board continuously enhances its understanding of sustainability trends, emerging risks, and regulatory developments. These initiatives also include awareness sessions on the principles of Quality and Environmental Management Systems (ISO 9001:2015 and ISO 14001:2015), which reinforce the Group’s commitment to responsible and efficient operational practices.</p> <p>The Board, together with Management, actively oversees the integration of sustainability considerations into business planning and decision-making processes. This ensures that the Group’s strategic direction takes into account material sustainability risks and opportunities, including those related to climate change, energy efficiency, waste management, and stakeholder engagement.</p> <p>By maintaining an informed perspective on sustainability matters, the Board is able to provide effective guidance and oversight, ensuring that the Group’s sustainability agenda remains aligned with regulatory expectations and stakeholder interests. Further details of the Group’s sustainability initiatives and performance are disclosed in the Sustainability Statement of the Annual Report.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>Following the issuance of the revised MCCG in April 2021, the Board has undertaken a comprehensive review of the Group’s governance framework to identify areas for further enhancement, particularly in relation to sustainability governance and performance evaluation.</p> <p>While sustainability considerations have been progressively embedded into the Group’s strategic decision-making and operational practices, formal performance evaluations of the Board and senior management have yet to incorporate specific sustainability-related metrics at this stage.</p> <p>To strengthen alignment with the MCCG, the Group is in the process of developing a comprehensive Sustainability Framework that will formalise sustainability priorities, performance indicators, and targets across key business areas. Once established, these metrics will be integrated into the annual performance evaluation process for both the Board and senior management to enable objective assessment of their effectiveness in managing material sustainability risks and opportunities.</p> <p>The Board is committed to implementing this enhancement in phases and aims to progressively embed measurable sustainability performance criteria into its evaluation process in the near term.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NC is responsible for assisting the Board in matters relating to the nomination, appointment, and succession planning of Directors and Board Committee members, in line with the TOR of the NC. The NC's overarching objective is to ensure that the Board continues to comprise individuals with the appropriate balance of skills, experience, diversity, and independence to effectively guide the Group's strategic direction and governance.</p> <p>The NC undertakes an annual assessment of the composition and effectiveness of the Board and its Committees, taking into consideration factors such as the size and balance of the Board, the mix of skills and competencies, leadership attributes, and gender and age diversity. The assessment also covers the performance and contribution of each individual Director, including their participation at meetings, quality of input, and commitment to their roles.</p> <p>In line with the Company's Constitution, Directors who are subject to retirement by rotation at the Annual General Meeting ("AGM") are assessed by the NC prior to their re-election. The NC evaluates their performance and contribution to ensure that only Directors who continue to demonstrate commitment, integrity, and effectiveness are recommended for re-election by shareholders.</p> <p>The NC also reviews the tenure of each Director as part of its annual review and continues to monitor opportunities for progressive Board refreshment to ensure continuity and the infusion of fresh perspectives in the Board's deliberations.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>As at the end of the financial year, the Board comprised nine (9) members, as follows:</p> <ul style="list-style-type: none"> • One (1) Executive Chairman; • Three (3) Executive Directors; • One (1) Senior Independent Non-Executive Director; • Three (3) Independent Non-Executive Directors; and • One (1) Non-Independent Non-Executive Director. <p>Accordingly, Independent Non-Executive Directors (“INEDs”) represent approximately forty-four percent (44%) of the Board composition, which is marginally below the recommended threshold of at least half the Board under the MCCG.</p> <p>Despite this, the Board is satisfied that the current composition remains effective in providing sound stewardship, objective oversight, and balanced perspectives in the Board’s decision-making process. The presence of experienced Independent Directors ensures that deliberations are conducted with appropriate challenge and independence of judgement.</p> <p>The NC continues to review the Board’s composition annually to ensure an optimal balance between independence, diversity, and expertise. The Board is committed to progressively increasing independent representation on the Board to meet the recommended practice in due course.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>As at the end of the financial year, none of INEDs of the Company have served on the Board for a cumulative term exceeding nine (9) years.</p> <p>The Board, through the NC, monitors the tenure of each INED as part of its annual review of Board composition to ensure continued objectivity and independence in the discharge of their duties.</p> <p>In line with the MCCG and Paragraph 15.02 of the MMLR of Bursa Securities, should the Board wish to retain any INED beyond the nine-year tenure, the Board will provide the necessary justifications and seek shareholders' approval on an annual basis via a two-tier voting process.</p> <p>This approach ensures that long-serving Independent Directors, if retained, continue to remain objective, independent in character and judgement, and free from any relationships that could materially interfere with their ability to act in the best interests of the Company and its shareholders.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NC is responsible for identifying, evaluating, and recommending suitable candidates for appointment to the Board and senior management positions. In performing this role, the NC adopts a structured and objective process that considers a broad range of factors, including integrity, leadership qualities, independence, sound judgment, and diversity in terms of skills, experience, age, gender, ethnicity, and professional background.</p> <p>This ensures that appointees possess the necessary competencies, commitment, and character to contribute effectively to the Company’s strategic direction and uphold high standards of governance and corporate stewardship.</p> <p>For Board appointments, the NC applies the Company’s Fit and Proper Policy for Directors (“Fit and Proper Policy”), which outlines the criteria and assessment procedures relating to a candidate’s character, integrity, competence, and time commitment. The NC also evaluates potential candidates’ capacity to devote sufficient time to discharge their duties effectively, taking into account the number of directorships they hold in other listed and non-listed entities.</p> <p>The Fit and Proper Policy serves as a guiding framework to ensure that only individuals of high integrity, professionalism, and sound judgment are appointed to the Board. The policy is available on the Company’s official website at https://ynhb.listedcompany.com/corporate_governance.html.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NC holds the primary responsibility for identifying, screening, evaluating, and recommending candidates for appointment to the Board. The nomination process and selection criteria are guided by the NC's TOR and the Company's Fit and Proper Policy.</p> <p>In carrying out this process, the NC undertakes a comprehensive review of each nominated candidate's qualifications, integrity, competence, and overall suitability for the role. Where appropriate, members of the NC may also engage directly with potential candidates to further assess their fit and readiness to serve on the Board. This robust and structured approach ensures that individuals recommended for appointment possess the requisite attributes, expertise, and capabilities to contribute effectively to the Company's leadership and strategic oversight.</p> <p>Based on the NC's established process, the Board is of the view that appointments made on the basis of recommendations from existing Directors or Management are appropriate and sufficient to meet the Company's present needs, while still ensuring that all candidates are subject to the same rigorous evaluation and due diligence process.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board, through the NC, ensures that shareholders are provided with sufficient, relevant, and transparent information to make well-informed decisions regarding the appointment and re-election of Directors at the AGM.</p> <p>In recommending Directors for appointment or re-election, the NC undertakes a comprehensive evaluation covering multiple dimensions, including integrity, time commitment, strategic contribution, participation in Board and Committee deliberations, and alignment with the Company’s values and governance principles. For Independent Non-Executive Directors, the NC also assesses their ability to exercise objective and independent judgment in safeguarding the interests of the Company and its stakeholders.</p> <p>The Board, having reviewed the NC’s recommendations and assessment outcomes, endorses the re-election of the Directors who have demonstrated continued commitment, competence, and effective performance in their respective roles. The rationale supporting each proposed appointment or re-election is clearly stated in the Notice of AGM and the accompanying explanatory notes to facilitate informed voting by shareholders.</p> <p>Comprehensive profiles of all Directors, including their qualifications, professional experience, directorships in other companies, shareholdings, and any potential conflicts of interest, are disclosed in the Profile of Directors section of the Annual Report. This ensures that shareholders are equipped with all pertinent information to evaluate each candidate’s suitability and to exercise their voting rights in an informed manner.</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

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 Mr. Ching Lee Fong, an Independent Non-Executive Director of the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	As at the date of this Report, the Board comprises one (1) female Director, representing less than 30% of the Board's composition.	
		<p>The Board acknowledges the importance of gender diversity as a key element of an effective Board and remains committed to progressively enhancing female representation in line with the recommendations of the MCCG.</p> <p>Through the NC, the Board continues to prioritise diversity in its succession planning and director recruitment process. The NC actively considers suitably qualified female candidates whenever Board vacancies arise to ensure a balanced mix of skills, experience, and perspectives.</p> <p>The Board will continue to work towards achieving at least 30% female representation and will review its composition periodically to support the Group's long-term objectives of inclusivity and good governance.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>At present, the Board has not formally adopted a gender diversity policy. The Board will review the necessity and timing of implementing such a policy as circumstances evolve. In the meantime, appointments to the Board are made based on the NC objective and thorough assessment of each candidate's skills, experience, and alignment with the Company's current needs and strategic direction.</p> <p>For Senior Management, the Company remains committed to providing equal employment opportunities and fostering an inclusive workplace. Appointments are made based on merit, taking into account candidates' qualifications, relevant experience, performance potential, and other attributes essential for the role.</p> <p>The Board is committed to monitoring gender representation and ensuring that diversity considerations continue to inform both Board and Senior Management appointments.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board, its Committees, and individual Directors undergo a formal and objective annual evaluation conducted by the NC to assess effectiveness and performance. The evaluation covers:</p> <ul style="list-style-type: none">• The effectiveness of the Board as a whole;• The contribution, commitment, and performance of each individual Director;• The performance and effectiveness of each Board Committee, including the AC, NC and RC.• The independence of the Independent Non-Executive Directors. <p>The annual assessment process provides each Director with an opportunity to provide feedback on the Board’s overall effectiveness, as well as the performance and contribution of individual Directors and Committees. Feedback and assessment results are compiled with the assistance of the Company Secretaries and deliberated by the NC before being presented to the Board for notation.</p> <p>The outcome of the assessments is used to identify areas for improvement, inform Board composition, guide succession planning, and strengthen governance practices. Based on the most recent evaluation, the NC was satisfied with the effectiveness of the Board, its Committees, and individual Directors, and the Board has formally affirmed the results.</p> <p>For transparency, the evaluation process is guided by established criteria and conducted in a structured manner, ensuring that each Director’s performance is objectively reviewed and that constructive feedback is incorporated into the Board’s continuous improvement initiatives.</p>

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

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The RC is responsible for reviewing and recommending to the Board the overall remuneration framework for Directors and senior management. The objective of the framework is to ensure that remuneration is competitive, fair, and aligned with the Company's strategic objectives, performance, and long-term value creation.</p> <p>For Executive Directors, remuneration packages are structured to reflect their skills, experience, performance, and level of responsibility. This approach aims to attract and retain individuals capable of driving the Group's growth and operational excellence.</p> <p>For Non-Executive Directors, remuneration is determined collectively by the Board, taking into account the Directors' experience, responsibilities, and contributions. In line with good governance practices, individual Directors abstain from deliberations and decisions relating to their own remuneration.</p> <p>In accordance with Section 230 of the Companies Act 2016, fees and benefits payable to Non-Executive Directors are subject to shareholders' approval at a general meeting by way of an Ordinary Resolution.</p> <p>The Company's remuneration policies and practices are periodically reviewed to ensure alignment with evolving best practices and regulatory requirements.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a RC comprising four (4) members, of whom three (3) are Independent Non-Executive Directors and one (1) is the Executive Chairman. The RC is entrusted with assisting the Board in developing, reviewing, and recommending an appropriate remuneration framework for Directors and senior management.</p> <p>The RC undertakes an annual review of the remuneration packages of Directors and provides recommendations to the Board. Remuneration is structured to reflect each Director's level of responsibility, contribution, and performance, taking into account the Group's overall performance, the achievement of corporate objectives, and the execution of strategic initiatives set at the start of each financial year.</p> <p>The RC's responsibilities, authority, and duties are clearly defined in its Terms of Reference, which are periodically reviewed to ensure alignment with prevailing best practices in corporate governance. The Terms of Reference of the RC are publicly available on the Company's website at https://ynhb.listedcompany.com/corporate_governance.html.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	Detailed disclosure of individual director remuneration is provided in the table below.

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' Yu Kuan Huat	Executive Chairman	-	-	-	-	-	-	-	-	-	4,243	-	6	-	4,249
2	Dato' Dr. Yu Kuan Chon	Executive Director	-	-	-	-	-	-	-	-	-	4,243	-	-	-	4,243
3	Yu Kai Leun	Executive Director	-	-	-	-	-	-	-	-	-	2,092	-	10	-	2,102
4	Yu Jian Loong	Executive Director	-	-	-	-	-	-	-	-	-	363	-	-	-	363
5	Khong Kam Hou	Independent Director	46	46	-	-	-	-	92	-	-	-	-	-	-	-
6	Ching Lee Fong	Independent Director	46	46	-	-	-	-	92	-	-	-	-	-	-	-
7	Lee Zhi Yan	Independent Director	46	46	-	-	-	-	92	-	-	-	-	-	-	-
8	Koh Liong Boon	Independent Director	25	25	-	-	-	-	50	-	-	-	-	-	-	-
9	Loh Sah Hooi	Non-Executive Non-Independent Director	25	25	-	-	-	-	50	-	-	-	-	-	-	-

Intended Outcome

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

Practice 8.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board is of the view that disclosure of further details beyond the above may be prejudicial to the Company's business interests. This is due to the competitive human resource environment in which the Company operates, where individuals with the requisite knowledge, expertise and experience are highly sought after and susceptible to poaching.	
		Nevertheless, the Board is satisfied that the interests of shareholders are not compromised by the non-disclosure of the identity and detailed remuneration of the Company's top five (5) Senior Management personnel who are not Directors of the Company.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The AC is chaired by Mr. Khong Kam Hou, who is a Senior Independent Non-Executive Director of the Company. He is not the Chairman of the Board, thereby ensuring the appropriate balance of power and objectivity in the governance structure.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The AC had previously adopted a policy, as set out in its Terms of Reference, requiring a former partner of the external audit firm to observe a minimum cooling-off period of two (2) years before being appointed as a member of the AC.</p> <p>The Board notes that none of the current AC members are former partners of the Company's external audit firm. The Company acknowledges the importance of safeguarding the independence of its external auditors and ensuring that no conflict of interest, whether actual or perceived, arises in the course of the audit.</p> <p>In line with evolving best practices and to further strengthen auditor independence, the AC will revise its Terms of Reference to extend the mandatory cooling-off period to at least three (3) years, in full compliance with the recommendation under the MCCG.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The AC undertakes an annual review of the re-appointment, performance, and remuneration of the external auditors before making its recommendation to the Board for tabling to shareholders at the AGM.</p> <p>For the period under review, the AC conducted a comprehensive assessment of the external auditors, which included, among others:</p> <ul style="list-style-type: none"> a) evaluating the independence and objectivity of the external auditors; b) assessing the quality, effectiveness, and scope of the audit engagement, including the adequacy of audit procedures and reporting; c) reviewing the audit fees in relation to the nature and complexity of the Group's operations; and d) considering the adequacy of resources, experience, and expertise allocated to the audit engagement. <p>Based on the assessment, the AC was satisfied that the external auditors maintained the requisite independence, objectivity, and professional competence, and had delivered a high standard of audit quality and service. Consequently, the AC recommended to the Board the re-appointment of the external auditors for shareholders' approval at the forthcoming AGM.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:		
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Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>As at the date of this Report, the AC comprises three (3) members, all of whom are Independent Non-Executive Directors. The AC is chaired by the Senior Independent Non-Executive Director, ensuring strong leadership and independence in its oversight functions.</p> <p>This composition is in full compliance with Paragraph 15.09(1)(a) and (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, which require all AC members to be Non-Executive Directors, with a majority being Independent Directors.</p> <p>The Board is satisfied that the current composition of the AC ensures objectivity, impartiality, and robust oversight of the Company's financial reporting, internal controls, and risk management processes.</p>

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>All members of the AC are financially literate and possess the requisite knowledge and expertise to understand, evaluate, and oversee matters within the scope of the AC, including the financial reporting process, internal controls, and risk management. The qualifications, professional backgrounds, and experience of each AC member are disclosed in the Profile of Directors section of this Annual Report.</p> <p>To ensure that the AC remains effective in its oversight role, all members actively undertake continuous professional development, including training programmes, conferences, and seminars, to keep abreast of developments in accounting and auditing standards, regulatory requirements, and best practices in corporate governance.</p> <p>A summary of the professional development activities attended by the AC members during the financial year under review is provided in the Corporate Governance Overview Statement section of this Annual Report. This ongoing learning ensures that the AC is well-equipped to discharge its duties with competence and diligence.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a comprehensive Risk Management Framework to facilitate the ongoing identification, evaluation, monitoring, and management of significant risks that may materially affect the Group's ability to achieve its corporate objectives.</p> <p>Key elements of the Group's risk management and internal control system have been implemented across all business operations to ensure risks are appropriately managed, and internal controls are adequate and effective. These key elements, including risk assessment, mitigation strategies, monitoring processes, and reporting mechanisms, are detailed in the Statement on Risk Management and Internal Control contained in this Annual Report.</p> <p>The Board remains committed to reviewing and enhancing the risk management and internal control framework periodically, to ensure it remains robust and aligned with evolving regulatory requirements and best practices in corporate governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is responsible for maintaining a sound risk management and internal control framework to safeguard shareholders' investments and the Group's assets. This framework is designed to provide reasonable assurance regarding the achievement of corporate objectives, operational efficiency, reliable financial reporting, and compliance with applicable laws and regulations.</p> <p>The Group's risk management and internal control framework comprises, among others:</p> <ul style="list-style-type: none">• Risk Identification and Assessment: Continuous evaluation of operational, financial, regulatory, and strategic risks across all business units.• Internal Control Activities: Policies, procedures, and segregation of duties designed to mitigate identified risks.• Monitoring and Reporting: Regular review and reporting of risk exposures, control deficiencies, and corrective actions to the Board and relevant Committees.• Review and Oversight: Oversight by the Audit Committee to ensure that risk management practices are effective and internal controls are adequately implemented. <p>The adequacy and effectiveness of the Group's risk management and internal control framework are reviewed periodically by the Board, with the support of Management and the AC. The Board is satisfied that the framework is effective in managing the Group's material risks and provides a reasonable level of assurance on the reliability of financial reporting, compliance, and operational performance.</p> <p>Details of the Group's risk management practices, key risks, and the internal control framework are disclosed in the Statement on Risk Management and Internal Control contained in this Annual Report.</p>
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group's internal audit function is outsourced to an independent professional firm, IBDC (Malaysia) Sdn. Bhd. ("Internal Auditor" or "IBDC"), which operates independently from the activities and operations it audits.</p> <p>The Internal Auditor reports directly to the AC and has unrestricted access to the Board through the AC Chairman. This reporting structure ensures that the Internal Auditor can carry out its duties objectively and without interference.</p> <p>For the financial year under review, the Internal Auditor conducted periodic audits in accordance with the approved internal audit plan. The audits were designed to assess compliance with the Group's policies and procedures and to evaluate the adequacy, effectiveness, and efficiency of the Group's risk management and internal control systems.</p> <p>The AC reviews the findings, recommendations, and follow-up actions arising from the internal audit reports to ensure that corrective measures are implemented effectively.</p> <p>Further details on the internal audit function, including its scope of work, key activities, and outcomes during the year, are provided in the Audit Committee Report of this Annual Report.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group’s internal audit function is outsourced to IBDC (Malaysia) Sdn. Bhd., which deploys a sufficient number of qualified staff to conduct internal audit reviews. The function is led by Mr. Wong Een Joon, a highly qualified professional (FCCA, CA(M), ASEAN CPA, CMIIA, Certified Fraud Examiner), supported by four (4) audit personnel. All internal audit activities are performed in accordance with the International Professional Practices Framework (IPPF) 2017.</p> <p>The Internal Auditor and its personnel are fully independent, with no relationships or conflicts of interest, including family relationships with Directors or employees, that could impair their objectivity in carrying out audit engagements.</p> <p>The AC conducts an annual assessment of the internal audit function and has concluded that it is effective, independent, and adequate, with no material issues or significant deficiencies identified in the Group’s system of internal control.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises that effective, transparent, and timely communication with stakeholders is essential in building trust, confidence, and long-term relationships. It is committed to keeping shareholders and other stakeholders well-informed of all material matters affecting the Company.</p> <p>The AGM serves as the principal platform for dialogue with shareholders. The Board ensures that shareholders receive comprehensive and timely information on the Group's performance, operations, and strategic initiatives to enable informed decision-making. Shareholders are encouraged to actively participate, pose questions on the resolutions tabled, and engage in meaningful discussions. The Chairman, together with the Board members, addresses all questions raised and provides clear explanations on matters concerning the Company's operating environment.</p> <p>In addition to the AGM, the Company maintains continuous engagement with stakeholders through:</p> <ul style="list-style-type: none">• Timely announcements on Bursa Malaysia Securities Berhad's website and the Company's website;• Immediate release of quarterly financial results following Board approval, providing a transparent overview of the Group's performance; and• A dedicated general email address for shareholder queries, with responses provided promptly by the Executive Directors and/or Financial Officers. <p>The Board remains committed to maintaining open channels of communication with all stakeholders to ensure that their concerns and feedback are heard and appropriately addressed.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises that timely and comprehensive communication with shareholders is essential for transparency, accountability, and informed decision-making. In line with this, the Notice of the 22nd AGM was issued on 7 November 2024, providing shareholders with more than 28 days' notice ahead of the meeting scheduled on 19 December 2024.</p> <p>To ensure that all shareholders are adequately informed, the Notice of AGM was disseminated through multiple channels:</p> <ul style="list-style-type: none"> • Direct circulation to all shareholders via physical and/or electronic means; • Publication on the Company's website, ensuring easy access for shareholders and the public; • Advertisement in nationally circulated newspapers, reinforcing broad accessibility; and • Announcement on Bursa Malaysia Securities Berhad's website, in compliance with regulatory disclosure requirements. <p>The Notice included comprehensive details of the meeting agenda, resolutions to be tabled, explanatory notes, and guidance on proxy appointments, thereby allowing shareholders sufficient time to review the materials and participate meaningfully in the meeting.</p> <p>By providing clear, timely, and multi-channel communication, the Board ensures that shareholders are well-equipped to exercise their rights, engage in dialogue, and make informed decisions at the AGM.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:		
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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>The AGM is the principal platform for dialogue and engagement between the Board and shareholders. The Board strongly encourages shareholders to attend the AGM and actively participate in discussions, where they have the opportunity to raise concerns, seek clarifications, and pose questions on the resolutions tabled.</p> <p>Attendance of all Directors, including the Chairman, is mandatory at the AGM. Directors are expected to provide clear, relevant, and meaningful responses to questions raised by shareholders, demonstrating accountability and transparency.</p> <p>The Chairs of key Board Committees, including the AC, NC and RC actively participate in the AGM to address queries specific to their areas of responsibility. This ensures that shareholders receive informed and comprehensive explanations on matters relating to governance, risk, and overall corporate performance.</p> <p>Additionally, the Company’s external auditors and key members of senior management are invited to the AGM to provide professional clarifications and respond to technical or operational queries, further enhancing transparency and engagement.</p> <p>All Directors were present at the 22nd AGM held on 19 December 2024, reflecting the Board’s commitment to effective shareholder engagement and open communication.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The 22nd AGM held on 19 December 2024 was conducted as a physical meeting and by poll voting, in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>The Company appointed Aldpro Corporate Services Sdn. Bhd. as the Poll Administrator to manage the polling process, and Symphony Corporate Services Sdn Bhd as the Scrutineer to verify the poll results.</p> <p>While full remote participation and electronic voting facilities were not implemented for this AGM, the Company remains committed to adopting technological solutions in line with regulatory requirements and best practices in corporate governance. Shareholders are encouraged to exercise their rights to appoint proxies to attend, participate, speak, and vote on their behalf at physical AGMs.</p> <p>The Company will continue to explore and enhance digital participation capabilities in future meetings while ensuring that robust cyber hygiene measures, data privacy, and security protocols are in place to safeguard shareholders' information and mitigate cyber threats.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: The Chairman of the Board ensures that shareholders are provided with ample opportunity to engage with the Board and Management during the AGM. Shareholders are strongly encouraged to attend the AGM, actively participate, raise questions, and exercise their voting rights. The meeting is structured to facilitate interactive discussions, with a dedicated question-and-answer session to ensure that all queries are addressed comprehensively and in a timely manner. All Directors actively responded to questions relevant to their respective areas of responsibility. In addition, key members of senior management, including the Financial Controller and Accountant, as well as representatives of the external auditors, were present to provide further clarifications and insights where required. This approach ensures that shareholders receive a transparent, informative, and meaningful dialogue on the Company’s financial and non-financial performance, strategic direction, and long-term value creation.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 13.5

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

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

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

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of the 22 nd AGM were published on the Company's website within 30 business days following the conclusion of the AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**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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