

CORPORATE GOVERNANCE REPORT

STOCK CODE : 3158
COMPANY NAME : YNH PROPERTY BHD
FINANCIAL YEAR : December 31, 2021

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 is overall responsible for the performance and affairs of the Company by overseeing the strategic plan of the Group. The Board sets the strategies direction ensuring that the necessary resources are in place for the Company to meet its objectives and review management performance. The Board also oversee the business operation, resource management, assessment of risks aim at providing effective oversight.</p> <p>The Board is also responsible to shareholders and stakeholders for achieving Group's strategies objective and to deliver sustainable grown in their values.</p> <p>The Board delegates the implementation of its strategies to the Company's Management as to monitor the conduct and management of the Group's business.</p> <p>The roles and responsibilities of the Board have been clearly defined in the Board Charter which is available on the Company's website at www.ynhb.com.my.</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

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 Chairman of the Board, plays a key role in leading and ensuring the adequacy and effectiveness of the Board's performance and governance practices. He represents the Board to the shareholders and other stakeholders.</p> <p>The Chairman is primarily responsible for:</p> <ul style="list-style-type: none">• Leading the Board meetings discussions and encourages debate on issues and seek views from the Board on matters requiring decisions.• Maintaining regular dialogue with the Managing Director and senior management in respect of all material matters affecting the Company and to consult with the other Board members promptly and appropriately.• Chairing the annual general meeting and provides responses to shareholders on issues raised by them. <p>The Chairman's key responsibilities are set out in the Board Charter which is available on the Company's website at www.ynhb.com.my.</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 1.3

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 CEO but with the positions of two Executive Directors, the Chairman and the Managing Director, are held by different individuals.</p> <p>The Chairman leads and manages the Board by focusing on strategy, governance and compliance whilst the Managing Director manages the business and day-to-day operation of the Company and implements the Board's decisions.</p> <p>The Chairman and the Managing Director play a distinct and separate roles with a clear division of responsibilities to ensure a balance of power and authority.</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 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Company is in compliance with Practice 1.4 of the MCGG whereby the Chairman of the Board, Dato' Yu Kuan Chon ("the Chairman") is not a member of the Audit Committee ("AC") or the Nomination and Remuneration Committee ("NRC") of the Company.</p> <p>The Chairman has never been an AC or NRC member since the date of his appointment to the Board on 3 September 2003.</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 1.5

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 a suitably qualified and competent Company Secretary from Boardroom Corporate Services Sdn Bhd and one in-house Company Secretary who was licensed by the Registrar of Companies.</p> <p>Below is a summary of the relevant responsibilities by the Company Secretaries:</p> <ul style="list-style-type: none">• Advised the Board on their roles and responsibilities and provide regular updates on new statutory and regulatory requirements relating to the discharge of the Board's duties and responsibilities;• Provided support to the Board in fulfilling its duties and leadership role in shaping the corporate governance of the Group;• Managed the logistics of all Board and Board Committee meetings. Attendance and minutes of all meetings are properly recorded and kept;• Managed processes of all General Meetings.• Monitored the developments of Corporate Governance and assist the Board in applying best practices to meet the Board's needs and shareholders' expectations. <p>The Company Secretaries also play an important advisory role in the Company. In this respect, the Company Secretaries advise the Board on corporate disclosures and compliance with the relevant changes to the laws, rules and regulations, which include amendments to the Constitution of the Company arising from the Companies Act 2016, and amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as well as the best practices of the Malaysian Code on Corporate Governance.</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 1.6

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>To facilitate the Directors' time planning, the annual meeting calendar is prepared and circulated in advance of each new year. The calendar provides Directors with scheduled dates for meetings of the Board and Board Committees and the annual General Meeting.</p> <p>The Board members are furnished with proper agenda with due notice issued and board papers and reports by the Management at least 7 days prior to the meetings. This is to ensure that the Board members have sufficient time to review the board papers for effective discussions and decision making during the meetings.</p> <p>All deliberations and decisions at the Board and Board Committee meetings are well documented in the minutes, including matters where Directors abstained from voting or deliberation.</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 will periodically reviews its Board Charter as and when necessary.</p> <p>The updated version of the Board Charter is make available at the Company's website at www.ynhb.com.my.</p> <p>The Board Charter outlines the duties and responsibilities of the Board of Directors, Chairman and the Board Committees. The keys matters reserved for the Board's deliberation and decision making are spelt out in the Board Charter.</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 board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has put in place a Code of Conduct and Ethics for Directors and employees of the Company which is subject to periodic review.</p> <p>The Code of Conduct and Ethics for Directors provides the principle standards relating to the Directors' duties to act in the best interest of the Group which covers the areas of conflicts of interest, confidential information, inside information and securities trading, compliance to the law, protection of the Company's assets and health safety and environment for the workers.</p> <p>The Code of Ethics for employees promotes honest and ethical conduct in all aspects of the Company's operations including handling of actual or apparent conflict of interest between personal and professional relationships in the workplace, confidentiality of information and inside securities trading.</p> <p>The Company has also established the Anti-Bribery and Corruption ("ABC") Policy. The Code of Conduct and Ethics and the ABC Policy are available at the Company's website at www.ynhb.com.my.</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 3.2

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 established and put in place the Whistleblowing Policy and Procedures is to provide and facilitate a mechanism for any reporting individual to report concern about any suspected or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse involving the resources of the Group.</p> <p>The Whistleblowing Policy sets out the procedures for the Group's directors and employees to report genuine suspicions of non-compliance without fear of retribution or retaliation.</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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	The Board, together with the Management, recognises the importance of ensuring sustainability risks and opportunities and are continuously being reviewed and considered in the development of our business strategies and plans. As a yearly agenda, Management reviews the Group's sustainability approach and presents to the Board in the form the annual sustainability statement and is included in the Annual Report.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Board took cognisance that engaging in effective and meaningful dialogues and disclosures, while anticipating and meeting the needs of all stakeholders are fundamental to building trust and confidence, and forms the foundation of good governance in the Group. Details pertaining to how the Group engages its stakeholders are available in the Sustainability Statement as included in the Annual Report 2021.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	To keep abreast of sustainability disclosures and guidelines, the Board is updated via the continuous improvement program on Quality and Environmental Systems through ISO 9001:2015 and ISO 14001:2015 covering sustainability topics which included climate-related updates, waste management and global standards requirements;	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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	:	With amendments to the MCCG taking effect in April 2021, the Board has conducted a review of the gaps and sought steps to adopt the new practices to be in line with the revised MCCG. This included the inclusion of sustainability measurements for the Board, the Group and relevant senior Management. The Group is in the process to established a Sustainability Framework and is currently evaluating key sustainability targets as part of the Company's efforts to address sustainability risks and opportunities and to establish basis for the evaluation on the Board's performance in addressing the Company's material sustainability risks and opportunities.
	:	The Board and Management is taking steps to include sustainability related KPI for Senior Management commencing FY2022. However, this KPI will be further refined to incorporate measurements based on the Group's Environmental Social and Governance ("ESG") strategy in FY2023.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	As mentioned above, The Group is in the process of evaluating key sustainability targets to establish the KPI for Senior Management to be endorsed by the Board for implementation in FY2022 but will be refined based on the Group's ESG strategy in FY2023
Timeframe	:	Within 3 years

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	:	Adopted
Explanation on adoption of the practice	:	The Group has established a sustainability governance structure where the Board is the ultimate governing body of the organisation. The Board assumes full accountability and authority of the Company's sustainability approach and direction with delegation of responsibility to the Risk Management Committee.

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 Nomination Committee (NC) is overall responsible in ensuring the composition of the Board balance and size, and that the Board has a required mix of skills, experience and other core competencies.</p> <p>The NC will annually carry out and ensure proper documentation of all assessments and evaluations on the effectiveness of the Board as a whole and the contribution of each individual Director.</p> <p>The NC also recommends to the Board, the Directors who are retiring by rotation to be put forward for re-election based on satisfactory evaluation of the Director’s performance and contribution to the Board.</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 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board comprises of five (5) Directors i.e. two (2) Executive Directors (one Chairman and one Managing Director) and three (3) Independent Non-Executive Directors (“INED”)</p> <p>The presence of majority Independent Directors provides unbiased and independent views in Board deliberations and decision making, taking into account the interests of the Group and minority shareholders.</p> <p>The assessment of independence of the INED are conducted on an annual basis. The Nominating Committee undertakes an assessment of all INED based on the completed Independent Directors’ Self-Assessment Checklist submitted by INED.</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 5.3

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>There are three (3) Independent Non-Executive Directors (“INED”) on Board. As at 31 December 2021, tenure of all the three (3) INED, have exceeded 12 years term.</p> <p>Based on the annual assessment carried out, it was recommended that all the three (3) INED are continue to be independent as:</p> <ul style="list-style-type: none">(i) They have fulfilled the criteria under the definition of an INED as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus they would be able to function as check and balance, provide a broader view and brings an element of objectivity to the Board.(ii) Their vast experience in their professional knowledge enabled them to provide the Board with a diverse set of experience, expertise and independent judgment.(iii) They have performed their duty diligently and in the best interest of the Company as required by the Code as an INED and provide a broader view, independent and balanced assessment of proposals from the management. <p>Thus, the Board recommends them to continue to act as Independent Directors of the Company in the forthcoming Annual General Meeting. The Company would apply the two-tier voting process in seeking shareholders' approval for all of them to continue to serve as Independent Directors on the Board.</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	:	The Board is of the view that its Board composition and Senior Management composition is well balanced, and that the appointments are made on the recommendations by the Nominating and Remuneration Committees based on the objective criteria and with due regard for diversity in skills, experience, age, culture background and gender	
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 5.6

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 Board together with the senior management will search for appropriate candidates to fulfil any position require from various sources, including independent sources if relevant.</p> <p>The Nominating Committee would assess and recommend suitably qualified candidates for any appointment to the Board which fits the prescribed criteria that the Board is looking for.</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 5.7

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 performance of retiring Directors recommended for re-election at the forthcoming Annual General Meeting (AGM) have been assessed through the Board annual evaluation (including the independence of Independent Non-Executive Director).</p> <p>A statement by the Board and the Nominating Committee being satisfied with the performance and effectiveness of the retiring Directors who offered themselves for re-election at the AGM was stated in the Statement Accompanying the Notice of AGM.</p> <p>The details of the Directors who were due for retirement and offered themselves for re-election were set out in the Profile of Directors and Statement of Shareholders in the Annual Report 2021 of the Company.</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 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	The Nominating Committee is chaired by the Senior 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	:	The current Board composition has proven its effectiveness in all deliberations and decisions made at the Board. The Board will consider the appointment of women director(s) as and when the suitable woman candidate is identified.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board remains committed to actively working towards having at least one woman director on the Board, depending on the availability of qualified candidate and the Board's skill requirements. The Board would expect the appointment of at least one (1) woman director in 2023.
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>The Board will review its diversity policy as and when needed based on changing environment. However, whilst the Board recognises that MCGG 2021 had recommended for listed issuers to have at least 30% women directors, any appointment of director on the Board is only made after objective and thorough assessment by the NRC of the appropriateness of the candidate's skills and experience to the position as well as the Company's requirement at that point of time.</p> <p>As for Senior Management, the Company strives for equal employment opportunity of which the positions are to be filled with the most suitable candidates on the basis of qualifications, relevant experience, performance potentials and any other attributes required of the job.</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.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Nominating Committee carried out the Board Effectiveness Evaluation annually. The Nominating Committee reviewed the Performance Evaluation Sheet on Board and Board Committee and Individual Peer which completed by all the Directors.</p> <p>The assessment on Board and Board Committee and Individual Peer were based on the following criteria:</p> <ul style="list-style-type: none">● Board and Board Committee<ul style="list-style-type: none">○ Board Structures○ Board Operations○ Board Roles and Responsibilities○ Board Chairman’s Role and Responsibilities● Individual Peer<ul style="list-style-type: none">○ Contribution to Interaction○ Quality of Input○ Understanding of Role○ Board Chairman’s Role <p>The results of the overall evaluation of the Board including their recommendation for any improvements would be presented to the Board by the Nominating Committee.</p> <p>The Terms of Reference of Nominating Committee is attached to the Board Charter of the Company which is made available at the Company’s website at www.ynhb.com.my.</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 Remuneration Committee is responsible inter alia in recommending to the Board the remuneration framework for directors. The remuneration package will be structured according to the skills, experience and performance of Executive Directors so as to attract and retain the Directors to manage the Group successfully.</p> <p>The remuneration package of Non-executive Directors are based on their experience and level of responsibilities which is determined collectively by the Board. Individual Directors do not participate in the decision concerning their individual remuneration.</p> <p>The fees of the Non-Executive Directors and any benefits payable to the Directors shall from time to time be determined by an Ordinary Resolution of the Company in general meeting in accordance with Section 230 of the Companies Act 2016.</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 level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	The Board has established a formal and transparent process for approving the remuneration of the Board. The Nominating and Remuneration Committee will review and recommend the remuneration of board and senior management on an annual basis. The Terms of Reference of Remuneration Committee is attached to the Board Charter of the Company which is made available at the Company's website at www.ynhb.com.my .
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	:	In line with best corporate governance practice and Bursa Listing Requirement, the disclosure of the Directors' remuneration on a named basis are disclosed in the Annual Report of the Company.

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 opinion that the disclosure of details in excess of the above may be detrimental to its business interest, given the competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Company's business activities, where poaching has become common place.	
		The Board further believes that the interest of the shareholders will not be prejudiced as a result of such non-disclosure of the identity and remuneration of the Company's top five 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.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Audit Committee is not the Chairman of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>In the Financial Year 2021, none of the Audit Committee members were former audit partners of the Company. With the amendment to the Malaysian Code on Corporate Governance, the requirement to observe the cooling-off period of at least three years before appointment of a former partner of the external audit firm of the Company as a member of the Audit Committee would be updated in the Terms of Reference of the Audit Committee in year 2022.</p> <p>The Terms of Reference of the Audit Committee is available on the Company's website at www.ynhb.com.my.</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 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 Audit Committee had deliberated the outcome of the Evaluation of External Auditors ("EA") which included an assessment of the engagement team's qualifications, credentials and experience, particularly in the financial services sector, their audit work approach, and their ability to provide value added advice and services as well as to perform the work within the Company Group's timeline.</p> <p>The Audit Committee had concluded that the EA were competent and adequate to perform their duties with professionalism, due care and independence for the year of 2021.</p> <p>The Audit Committee had on 26 April 2022 undertook an annual assessment of the quality of the external audit which encompassed on their performance, independence, objectivity and professionalism and was satisfied with the suitability of the EA. Hence, the Audit Committee proposed to recommend to the Board for approval for the re-appointment of the EA of the Company and Group for the financial year ending 31 December 2022.</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 an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The Audit Committee comprises wholly of Three Independent Non-Executive Directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Audit Committee continuously keep themselves abreast of any relevant development in accounting and accounting standard, practices and rules.</p> <p>The Chairman of the Audit Committee is financially literate, and has carried out his duty in accordance with the terms of reference of the Audit Committee.</p> <p>All members of the Audit Committee have participated in relevant continues professional development programmes.</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 risk management framework to continuously identify, evaluate, monitor and manage significant risks that materially affect the corporate objectives of the Group.</p> <p>The Group has in place the keys elements of risk management and internal control is set out in the Statement on Risk Management and Internal Control of the Company’s 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 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The features of the Company’s risk management and internal control framework, and the adequacy and effectiveness of this framework is set out in the Statement on Risk Management and Internal Control of the Company’s Annual Report.	
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	:	Currently, the Risk Management Committee is responsible in the risk management framework as set out in the Risk Management policy. The Independent directors are assisting the Risk Management Committee in carrying out their duties and overseeing the Group's risk management framework.

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 internal audit function was established with the initial engagement of an internal audit service firm to provide the internal audit services.</p> <p>It is the responsibility of the internal auditors to provide the Audit Committee with independent and objective reports on the state of internal control of the various operation units within the Group.</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 currently outsourced an internal audit service firm to provide the internal audit services which reports directly to the Audit Committee.</p> <p>As the internal audit function is outsourced, it is not practical to disclose the number of resources in the said department, name and qualification of the person responsible for internal audit. The internal audit function is determined by the Audit Committee after discussion of the audit plan with the Board.</p> <p>The Audit Committee undertook the annual assessment of the quality of the internal audit based on the adequacy and independence of the internal audit function. There was no material issue and major deficiency had been noted which pose a high risk to overall system of the internal control under review.</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 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 acknowledges the need for shareholders to be informed of all material business matters affecting the Company.</p> <p>The quarterly financial results are announced via Bursa Link immediately after the Board's approval which provide the shareholders and the investing public with an overview of the Group's performance and operations.</p> <p>At the Annual General Meeting, all shareholders are invited to raise questions to the members of the Board. The Board provided clear explanation to address the shareholders' questions.</p> <p>The Company has a general email address which allowance the shareholders to send in their queries. All email queries are attended to by the Executive Directors/ Financial Officers.</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 12.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company would review the need to adopt the integrated reporting based on a globally recognised framework at the appropriate time.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Company will start preparing for the adoption of the integrated reporting based on a globally recognised framework.	
Timeframe	:	Within 5 years.	

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Notice of the Annual General Meeting of the Company which will be held on 17 June 2022 was issued and dated on 29 April 2022 i.e. more than 28 days prior to the meeting.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>At the last year Annual General Meeting held on 26 November 2021, four (4) out of five (5) Directors were present in person to engage directly with the shareholders at the meeting.</p> <p>The Chairman was absent for last year Annual General Meeting as he was under quarantine after he had close contact with people who has COVID-19.</p> <p>However, the Chairman of Audit, Nominating, Risk Management and other committees would available at the Annual general Meeting to take any relevant questions posted by the shareholders during the Meeting.</p> <p>The Directors attended remains the principal forum for dialogue with shareholders. Shareholders are encouraged to participate in the proceedings and raise questions to the Directors at all General Meeting.</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 13.3

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 voting for the last Annual General Meeting held on 26 November 2021 was conducted on a poll in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>The Company had appointed Boardroom Share Registrars Sdn Bhd as Poll Administrator to conduct the polling process, and Boardroom Corporate Services Sdn. Bhd. as Scrutineer to verify the poll results.</p> <p>The Scrutineer, Boardroom Corporate Services Sdn. Bhd. upon verification of the poll results, announced the results for each resolution, which include votes in favour and against, upon which the Chairman of the Meeting declared the resolutions were carried. The poll results were announced by the Company via Bursa Link on the same day for the benefits of the shareholders.</p> <p>The Company will consider all factors to implement the applicable requirements in due course. The shareholders are engaged to appoint any person(s) as their proxies to attend, participate, speak and vote instead of them.</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 :	<p>The Chairman of the board always ensured that sufficient opportunities were given to shareholders to pose questions to the Company during the Annual General Meetings ("AGM")</p> <p>The shareholders are strongly encouraged to attend, participate, speak and vote at the AGM, and all queries posed to the Board prior to and during the AGM are responded to accordingly.</p> <p>All Directors had actively responded to relevant questions addressed to them during the AGM. The Group's Financial Controller, Accountant and representatives of external auditors also attended and participated in the AGM.</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 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
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	: Minutes of the Annual General Meeting (“AGM”) were published at the Company’s website no later than 30 business days after 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
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.

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