

# **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 7003  
**COMPANY NAME** : Y&G CORPORATION BHD  
**FINANCIAL YEAR** : December 31, 2022

## **OUTLINE:**

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors ("<b>Board</b>") has six (6) members, comprising one (1) Independent Non-Executive Chairman, one (1) Managing Director, one (1) Deputy Managing Director, one (1) Executive Director, and two (2) Independent Non-Executive Directors. This composition fulfils the requirements of the Main Market Listing Requirements ("<b>MMLR</b>") of Bursa Malaysia Securities Berhad. All Directors have extensive experience, qualifications, skills and knowledge, the details of which are disclosed in the profile of each individual Director in the Annual Report.</p> <p>The Board is responsible for the proper stewardship of the Company and its subsidiaries ("<b>the Group</b>"). The Group is to ensure the maximisation of shareholders' value and safeguarding the stakeholders' interests, including securing sustainable long-term financial results and increasing shareholder value, with the proper social and environmental considerations.</p> <p>In order to ensure the effective discharge of its functions and responsibilities, specific powers of the Board are delegated to the relevant Board Committees, Group Non-Executive Chairman, Managing Director, Deputy Managing Director and Executive Director. The Board Committees comprise Audit and Risk Committee ("<b>ARC</b>"), Nomination Committee ("<b>NC</b>") and Remuneration Committee ("<b>RC</b>").</p> <p>In discharging its duties and responsibilities, the Board is governed by its Board Charter, outlining the relevant matters and authority, including those reserved for the Board's approval, and those which the Board may delegate to the Board Committees and the Management.</p> <p>The Board reviewed and deliberated the business plan, strategic plan and/or proposals presented by the Management bearing in mind any major change/revision/update discussed during the quarterly Board meeting accordingly.</p>

	<p>The Board Committees have the authority to examine particular issues and report to the Board with their findings and recommendations. However, the ultimate responsibility for decision on all important matters lies collectively with the Board.</p> <p>The responsibilities of the Board are clearly defined below:</p> <ul style="list-style-type: none"> <li>• Reviewing and approving the Group's strategic plans and investments that integrate business sustainability involving economic, environmental and social considerations;</li> <li>• Formulating policies and overseeing the business operations of the Group;</li> <li>• Reviewing adequacy of internal control;</li> <li>• Identifying principal risks and systems that manage these risks;</li> <li>• Establishing a succession plan for key management personnel;</li> <li>• Reinforce understanding of the Directors on the financial statements of the Group and of the Company and ensure integrity of the financial and non-financial reporting; and</li> <li>• Overseeing the development and implementation of investor relations policy.</li> </ul> <p>The Board is also responsible for promoting an effective execution of good corporate governance and a corporate culture of ethical conduct, especially among its members and generally that would permeate throughout the Company by way of verbal communication. As part of its continuous effort to promote good corporate governance, the Board, the Board Committees and each individual Director are annually assessed on their effectiveness in fulfilling their roles and responsibilities as disclosed in the Annual Report. Hence, the Board is collectively sound and has sufficient knowledge and expertise to enable effective governance and oversight.</p> <p>All Directors have full and timely direct access to information concerning the Company and the Group including:</p> <ul style="list-style-type: none"> <li>• Advice and services of the Group's Company Secretary and senior management in the Company; and</li> <li>• If necessary, obtaining other independent professional advice at the Company's expense in order to discharge their duties effectively.</li> </ul>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

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

### Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board is helmed by an Independent Non-Executive Chairman, Mr. Lee Boon Hong @ Lee Boon Keong, who constantly promotes constructive and healthy debate by encouraging active participation, discussion and allowing dissenting views to be freely expressed during Board and shareholders' meetings.</p> <p>All the Directors are given a chance to express their views freely and deliberate on any issues and the Chairman ensures quality information is delivered to the Board to facilitate decision-making in a timely manner. He also ensures integrity and effectiveness of the governance processes of the Board and Board's proceedings are in compliance with good conduct and best practices. He maintains effective communication with stakeholders and communicates his views to the Board as a whole. At the same time, he manages the interface between the Board and the Management.</p> <p>The key roles and accountabilities of the Chairman of the Board have been defined in the Board Charter which is available on the Company's website at <a href="http://www.ygcorp.com.my">www.ygcorp.com.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the Board is Mr. Lee Boon Hong @ Lee Boon Keong and the role of CEO is assumed by Dato' Sri Yap Seng Yew, who is the Managing Director of the Group.</p> <p>The Board exercises the separation of the positions and roles of the Chairman and the Managing Director to promote accountability and to facilitate division of responsibilities between the executive and non-executive functions.</p> <p>The separate distinct functions and responsibilities are set out in the Board Charter which is available on the Company's website at <a href="http://www.ygcorp.com.my">www.ygcorp.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	Mr. Lee Boong Hong @ Lee Boon Keong is the Chairman of the Board, as well as member of ARC, NC and RC.
	:	Given the size of the Board, together with Lee Boong Hong @ Lee Boon Keong's vast expertise and experience, and expertise of the other two (2) AC members, the Board is of the view that there is more than sufficient independent oversight and competence present in the ARC.  The Board has put in place safeguard mechanisms in the form of checks and balance to prevent the exercising of undue influence by the Chairmen on the respective Committees. The decision-making processes of each Committee are collectively made in accordance with the terms of reference of each Committee.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During the financial year ended 31 December 2022 ("FY2022"), the Board was supported by one (1) qualified Company Secretary. The Company Secretary is licensed by the Registrar of Companies and qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016. He is registered with the Companies Commission of Malaysia under Section 241 of the Companies Act 2016 and is issued with practising certificate by the Registrar of Companies.</p> <p>The Company Secretary provided the required support to the Board in carrying out its duties and stewardship role, providing the necessary advisory role with regards to the Company's Constitution, Board's policies and procedures, corporate governance as well as compliance with all regulatory requirements, codes, guidance and legislation.</p> <p>All Directors also had full and unrestricted access to the advice and services of the Company Secretary. The Board was regularly updated on new guidelines, directives and new regulatory issues affecting the Group by the Company Secretary as well as external consultants. The Company Secretary together with the Managing Director, Executive Director and Management assisted the Chairman of the Board and Chairman of the Board Committees to deal with the Board agendas and to provide the relevant information and documents to Directors on a timely basis. The Board was satisfied with the support and performance rendered by the Company Secretary in assisting the Board to discharge its duties.</p> <p>The Board was of the view that the Company Secretary had been competent and kept himself abreast with the evolving regulatory changes and developments through continuous education programmes and attendance of relevant conferences, seminars and training programmes.</p> <p>The Board was satisfied with the performance and support rendered by the Company Secretary to the Board.</p>
<b>Explanation for departure</b>	:	



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

## Intended Outcome

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

## Practice 1.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Prior to the Board Meetings, the agenda for each meeting together with notices and reports containing information relevant to the business of the meetings (including information on major financial, operational and corporate matters as well as activities and performance of the Group and minutes of last Board Committees and Board Meetings) were circulated to the Board members at least seven (7) days before the meeting date to provide time for the Board members to read and deliberate the issues. During the Board Meetings, the Management provided further details on each issue raised for discussion or as supplementary information, and consultants (including the Internal and External Auditors) were invited to provide further insight.</p> <p>The deliberations and decisions at Board and Board Committees Meetings were well documented in the minutes, including matters where Directors are abstained from deliberation and voting.</p> <p>The Company Secretary will circulate the draft minutes of last meetings to the Board and Board Committees for review and comment before the next meetings. At the next meetings, the minutes were tabled for the Board's and Board Committees' confirmation and signed by the respective Chairmen as true and correct record of the last proceedings.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 2.1**

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has formalised a Board Charter which includes, <i>inter-alia</i>, the authorities, duties and responsibilities of the Board, Board Committees, individual Directors, Company Secretary and Management and the roles of Chairman, Managing Director, Deputy Managing Director and Executive Director and the terms of reference of the respective Board Committees.</p> <p>The Board Charter is available on the Company’s website at <a href="http://www.ygcorp.com.my">www.ygcorp.com.my</a>.</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 board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p><u>Code of Conduct and Ethics ("Code")</u> The Board, Management and all employees of the Group are guided by the Code. They are required to adhere to these principles in ensuring good corporate governance, instill professionalism and ethical conduct and to act in good faith and in the best interest of the Company and the Group at all times.</p> <p>The appropriateness and effectiveness of the Code are continuously monitored for improvements.</p> <p><u>Anti-Bribery And Corruption Policy ("ABC Policy")</u> The Company is committed to upholding its core values of integrity and ethical conduct and has implemented the ABC Policy and programme in order to maintain a corrupt-free business environment.</p> <p>The Company is committed and will ensure strict compliance with the ABC Policy with zero-tolerance towards bribery and corruption.</p> <p>During FY2022, the Internal Auditors have reviewed the ABC Policy and the Management has implemented the necessary improvements accordingly.</p> <p>The above Code and ABC policy are available on the Company's website at <a href="http://www.ygcorp.com.my">www.ygcorp.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

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

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company is committed to conducting its businesses in an open and fair manner, practice a healthy working environment and aims to create an exemplary corporate culture of the highest standard of professionalism and ethical conduct as stated in the Code of Conduct and Ethics.</p> <p>With this, the Company has established the Whistle Blowing Policy which acts as a bona-fide platform and an important aspect where individuals such as clients, suppliers, staff, corporation or any other stakeholders can raise their concerns about risk, malpractice or wrongdoing that may affect others.</p> <p>Individuals are able to raise/voice concerns internally in a responsible and effective manner whenever they discover information which they believe may lead to serious malpractices.</p> <p>The Whistle Blowing Policy is available on the Company's website at <a href="http://www.ygcorp.com.my">www.ygcorp.com.my</a>.</p> <p>There was no whistle blowing case reported during FY2022.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 4.1

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

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Executive Director, together with the Sustainability Report Working Group, comprising certain key management personnel from corporate planning, finance, project, marketing, human resources & general administration and corporate planning, work closely to drive the implementation of the Board’s approved sustainability strategies and practices.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Company cognisant the engagements with the stakeholders. The Company's sustainability strategies and priorities are communicated to external stakeholders through annual report.  The Company ensures the communications of the Company's sustainability strategies, priority, and target to all employees through departmental meeting.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	To keep abreast of the sustainability issues including climate-related risk, the Company participated in the following:  1) The construction site uses on-site detention tanks to drain and retain rainwater to reduce the risk of flash flood and reduce erosion in rivers and streams to certain extent.  2) The Company's projects used dual flush water cistern, thus enabling sustainable water consumption in long run.  3) The Company focuses on energy saving in which power saving features or sleep mode were enabled on computers, photocopiers and other equipment, and switch off lights and appliances when not in use which help to reduce energy consumption and defuse the global weather warming.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	The Board of Directors were formally assessed with regards to material sustainability risks and opportunities. The questionnaire specifically modality deployed through a peer evaluation provided extensive coverage on the sustainability areas.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

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

**Practice 4.5- Step Up**

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

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

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

## Intended Outcome

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

## Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company cognisant the importance of progressive refreshing of the Board. The Board's composition has been reviewing annually to determine if the Board has the appropriate make up with regard to aspects such as independence, diversity, mix of skills and size to the Company's strategic goals and objectives. The profiles of the Directors can be found in pages 10 to 11 of the Annual Report 2022.</p> <p>The NC, with a clear mandate as specified within its TOR, assesses and reviews the tenure of each Director and annual re-election of Directors standing for re-election at the annual general meeting ("AGM"), using the criteria specified in the Company's Constitution, the MMLR, and also other factors such as independence, performance and contribution.</p> <p>For the purpose of determining the eligibility of the retiring Directors to stand for re-election at the Fifty-Sixth AGM ("56<sup>th</sup> AGM") held on 31 May 2022, the Board through its Nomination Committee had assessed the retiring Directors, and considered the following:</p> <ul style="list-style-type: none"><li>(i) The Directors' performance and contribution;</li><li>(ii) The Directors' skills, experience and strength in qualities;</li><li>(iii) The level of independence demonstrated by the Independent Non-Executive Director, and his ability to act in the best interest of the Company in decision-making.</li></ul> <p>The retiring Directors had abstained themselves from all deliberations and decisions on their own respective proposed re-election as Directors at the Board Meeting.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

**Intended Outcome**

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During FY2022, the Board has six (6) members, comprising:</p> <ul style="list-style-type: none"> <li>a. One (1) Independent Non-Executive Chairman;</li> <li>b. One (1) Managing Director;</li> <li>c. One (1) Deputy Managing Director;</li> <li>d. One (1) Executive Director; and</li> <li>e. Two (2) Independent Non-Executive Directors.</li> </ul> <p>Half of the Board comprises Independent Directors. The Board's Chairman is an Independent Non-Executive Director.</p> <p>The Board assisted by the NC, assesses the independence of the Independent Non-Executive Directors via an individual declaration process by every Director, on an annual basis.</p> <p>Based on the outcome of assessment, , the Board is satisfied with the level of independence of the Independent Non-Executive Directors and their ability to act in the best interest of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.3

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In 2022, the tenure of each of the Independent Directors were as follows:</p> <ul style="list-style-type: none"><li>i. Mr Lee Boon Hon @ Mr Lee Boon Keong (17 years);</li><li>ii. En. Mohd Shafizan Bin Shahbudin (17 years); and</li><li>iii. Mr. Tan Kak Teck (8 years).</li></ul> <p>During FY2022, the Board through its NC conducted an assessment of the independence of all its Independent Non-Executive Directors and was satisfied that the Independent Non-Executive Directors have fulfilled the criteria under the definition of Independent Director as stated in the MMLR and are able to provide objective and independent judgment in deliberation of the Board's agenda. Based on the Board's assessment, the Board had recommended the retention of Mr. Lee Boon Hong @ Lee Boon Keong and Encik Mohd Shafizan Bin Shahbudin as Independent Non-Executive Directors which was approved by the shareholders via two-tier voting process at the 56<sup>th</sup> AGM held on 31 May 2022.</p> <p>The NC's and Board's justifications to retain Mr. Lee Boon Hong @ Lee Boon Keong and Encik Mohd Shafizan bin Shahbudin are premised on the following:</p> <ul style="list-style-type: none"><li>a) They continue to fulfill the criteria and definition of Independent Director as set out under Paragraph 1.01 of the MMLR;</li><li>b) During their tenure in office, they have not developed, established or maintained any significant personal or social relationship whether direct or indirect with the Executive Director, major shareholders or Management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent and expected of them to carry out their respective duties;</li><li>c) During their tenure in office, they have never transacted or entered into any transactions with, nor provided any services to the Group, the Executive Director, major shareholders or</li></ul>

	<p>Management of the Company (including their family members) within the scope and meaning as set forth under Paragraph 5 of Practice Note 13 of the MMLR;</p> <p>d) During their tenure in office, they have not been offered or granted any options by the Company. Other than directors' allowances paid which have been the norms and been duly disclosed in the annual reports, no other incentives or benefits of whatsoever nature have been paid to them by the Company;</p> <p>e) During their tenure in office, they have demonstrated consistently their integrity, commitment and contributed effectively to the Board's decision-making process; and</p> <p>f) During their tenure in office, they have gained significant and detailed understanding and insights into the business operations, and industry sectors in which the Group operates in. This includes an understanding of the peculiarities, strengths and weaknesses of the industry sectors, thereby enabling them to offer a different perspective during the decision-making process which a fresh appointee or a director holding office for a short length of time would not be able to offer.</p>	
<b>Explanation for departure</b>	:	
		•
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



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

#### **Practice 5.4 - Step Up**

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

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>		
<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	-

### Intended Outcome

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

### Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company places great emphasis on the principle of diversity and recognises the benefits of diversity in its broadest sense and considers diversity at the Board level and Senior Management level to be an essential element of ensuring the effectiveness of the Board and Senior Management.</p> <p>The Board, through the NC, has implemented procedures in considering the composition of the Board. The Board and Board Committee shall have the right blend of skills, experience, competencies, gender, age, cultural background, ethnicity, level of commitment, resources and time and other qualities that can contribute long-term value to the Company.</p> <p>During FY2022, the Board has six (6) Directors, one (1) of them is a woman.</p> <p>The Board is actively managing its workforce diversity to ensure equal employment opportunity. It fosters an environment where the ability to contribute and access employment opportunities is based on performance, skills and merits.</p> <p>There are seven (7) women in the Management team of the Group, which constitutes 32% female representation.</p> <p>The number of female employees constitutes 42% of the overall Board and Management team.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

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

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

### Practice 5.6

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board has delegated to the NC to conduct screening, evaluation and selection of new Directors and re-election of retiring Directors.</p> <p>NC has the authority to engage consultants/recruitment firms to source suitably qualified candidates for directorship as well as to seek any independent advice whenever necessary.</p> <p>There was no appointment of new Director during FY2022.</p> <p>The terms of reference and duties of the NC are set out in the Board Charter.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC has a formal and transparent procedure for the appointment of new Directors to the Board. When assessing new appointments to the Board, the NC carefully reviews the combined skills and experience of the existing Board members to determine the required characteristics and profile of the new Director. Candidates are identified based on their corporate leadership, skills, knowledge, competencies, experience, reference check and expertise to complement the Board. Diversity of experience in business, professionalism, corporate industry standing, integrity as well as academic background, age, gender, ethnicity and cultural background are also considered.</p> <p>Besides carrying out reference checks, the candidates are interviewed as part of the assessment process. Consideration is given to ensure appointees have sufficient time to devote to the role, ability to discharge responsibilities and that the balance of skills, knowledge and experience on the Board will be maintained and enriched. When the NC has found a suitable candidate, the NC will make a recommendation to the Board for deliberation.</p> <p>During FY2022, the Board deliberated the proposed re-election of the retiring Directors and provided a statement in the Notice of 56<sup>th</sup> AGM to the shareholders as to whether the Board support the re-election of the Directors at the 56<sup>th</sup> AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman of the NC is Encik Mohd Shafizan Bin Shahbudin, who is an Independent Non-Executive Director.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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	:	In 2022, the Board has one (1) woman Director, which constitutes 16.67% of the Board.	
		<p>The Board recognises gender diversity among Board members as important consideration when reviewing its composition. Considering diversity in a broader sense, the Board target to maintain a balance in terms of the range of skills, experience and strength in qualities of individual Board members.</p> <p>The NC and the Board are mindful of the target of at least 30% women directors and will look out to expand the pool of potential women candidates for the Board candidacy.</p>	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

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

**Practice 5.10**

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board does not set specific policy on gender diversity for the Board and Senior Management members. Nevertheless, the Board have been continuously enhancing workplace diversity at all levels.  In 2022, 16.67% of the Board and 50% of the Senior Management are women. The women in Senior Management have been increased from 25% in the financial year ended 31 December 2021 to 50% in FY2022.	
		The Board will endeavour in getting the participation of additional women and those of different ethnicity on its Board and Senior Management. The persons selected must be able to contribute positively to the development of the Group.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		



## Intended Outcome

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

## Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board, through NC and with the assistance from the Company Secretary, had conducted an annual assessment via questionnaires on the Board as a whole, Board Committees and each individual Director.</p> <p>The criterion in this assessment is updated periodically and is aligned with the practices of the Malaysian Code on Corporate Governance 2021.</p> <p>Each Director and each Board Committee member completes the evaluation form and submits it on a confidential basis to the Company Secretary who collates the responses and produces a report for tabling to the NC Chairman. The NC Chairman then reviews the report and submits its findings to the Board for assessment of the performance and effectiveness of the Board and Board Committees and its members.</p> <p>The NC was satisfied with the performance of all the Directors and Committee members during FY2022. The Board was also satisfied that the Board and the Board Committees had discharged their duties and responsibilities effectively.</p> <p>During FY2022, the Directors had attended training programmes/seminars/webinars (“<b>Programmes</b>”) on topics/subjects in relation to corporate governance, leadership, taxation, statutory and regulatory updates and requirements, economic updates, financial and accounting knowledge and updates. Details of the Programmes attended by the Directors are set out in the Corporate Governance Overview Statement in the Annual Report 2022.</p> <p>The Directors were kept up-to-date with market developments and related issues through Board discussion meetings with Management and were also updated and apprised on a continuing basis by the</p>

	<p>Company Secretary on new and/or revised regulatory and statutory requirements (“<b>Continuing Updates</b>”).</p> <p>The Board, after having undertaken an assessment, viewed that the Directors, having attended the Programmes and having been kept up-to-date with market developments and related issues as well as apprised with the Continuing Updates, had adequately met the training needs of each of the Directors towards enhancing his/her skills and knowledge to carry out his/her duties as a Director.</p> <p>The Board was satisfied that the Board composition in term of size, age, gender, cultural background, the balance between executive, non-executive and independent directors and mix of skills, experience and knowledge was adequate and in line with the Group’s business operations and needs.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The remuneration packages of the Executive Directors and Non-Executive Directors are determined by the Board with the assistance of the RC. This is to ensure the remuneration package is competitive and consistent with the Group's business strategy and long-term objectives. All the individual Directors concerned shall abstain from discussing their own remuneration package.</p> <p>The fees 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> <p>The remuneration is reviewed by the RC on an annual basis prior to making its recommendations to the Board for approval. In its review, the RC considers various factors including the Directors' fiduciary duties, time commitments and expertise expected from them and the Company's performance.</p> <p>The Remuneration Policy is periodically reviewed and is available on the Company's website at <a href="http://www.ygcorp.com.my">www.ygcorp.com.my</a>.</p> <p>The Human Resources Department reviews and sets the policies for remuneration including salary increment and bonuses of Senior Management on an annual basis to ensure that the compensation offered remains competitive for talent attraction and retention.</p>
<b>Explanation for departure</b>	:	

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

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

### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The RC is established to carry out an annual remuneration review on Directors and Senior Management and provides recommendation to the Board. This review ensures that the remuneration package commensurate with their performance and contribution to the Company and remains attractive to retain the Directors and Senior Management.</p> <p>The terms of reference of the RC is accessible on the Company’s website at <a href="http://www.ygcorp.com.my">www.ygcorp.com.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The details of each individual Director's remuneration comprising fees, salary, bonuses, allowances, Employees Provident Fund and Social Security Contribution for FY2022 are disclosed on named basis under the Corporate Governance Overview Statement's Principle A (Board Leadership and Effectiveness) of the Annual Report 2022.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Sri Yap Seng Yew	Executive Director	105	Input info here	180	Input info here	Input info here	23	308	105	Input info here	570	Input info here	Input info here	70	745
2	Datin Sri Gan Li Li	Executive Director	105	Input info here	180	Input info here	Input info here	23	308	105	Input info here	510	Input info here	Input info here	63	678
3	Dato' Yap Jun Jien	Executive Director	Input info here	Input info here	90	Input info here	Input info here	13	103	110	Input info here	390	Input info here	Input info here	49	549
4	Lee Boon Hong @ Lee Boon Keong	Independent Director	Input info here	36	Input info here	Input info here	Input info here	Input info here	36	Input info here	36	Input info here	Input info here	Input info here	Input info here	36
5	Mohd Shafizan bin Shahbudin	Independent Director	Input info here	24	Input info here	Input info here	Input info here	Input info here	24	Input info here	24	Input info here	Input info here	Input info here	Input info here	24
6	Tan Kak Teck	Independent Director	Input info here	30	Input info here	Input info here	Input info here	Input info here	30	Input info here	30	Input info here	Input info here	Input info here	Input info here	30
7	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

**Intended Outcome**

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

**Practice 8.2**

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

<b>Application</b>	:	Not applicable – adopted Step Up 8.3	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



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

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The details of each member of Senior Management's remuneration are disclosed in this Corporate Governance Report.

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Dato' Sri Yap Seng Yew	Managing Director	180	Input info here	Input info here	Input info here	128	308
2	Datin Sri Gan Li Li	Deputy Managing Director	180	Input info here	Input info here	Input info here	128	308
3	Dato' Yap Jun Jien	Executive Director	90	Input info here	Input info here	Input info here	13	103
4	Yap Jun Wei	Manager	90	Input info here	Input info here	Input info here	13	103
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	:	<p>The ARC is chaired by Mr. Tan Kak Teck who is an Independent Non-Executive Director and he is not the Chairman of the Board. The Chairman of the Board is Mr. Lee Boon Hong @ Lee Boon Keong.</p> <p>Mr. Tan appointed as the ARC’s Chairman since 15 April 2015 and he is a member of Malaysian Institute of Accountants (MIA) and a Fellow Member of Association of Chartered Certified Accountants (ACCA).</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 an effective and independent Audit Committee.

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

**Practice 9.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>None of the members of the Board are a former key audit partner of the External Auditors that shall be subject to a cooling-off period of at least three (3) years before being appointed as a member of the ARC.</p> <p>The terms of reference of the ARC are available on the Company's website at <a href="http://www.ygcorp.com.my">www.ygcorp.com.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The ARC conducts an annual review and monitors the suitability and independence of the Group's External Auditor, Messrs. T. H. Kuan &amp; Co. ("THK").</p> <p>The ARC maintains a close and transparent professional relationship with THK where full assistance is extended to enable them to discharge their duties effectively. The ARC also liaises with them in seeking advice and ensuring compliance with the applicable approved Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia.</p> <p>The ARC met THK in one (1) private session without the presence of Managing Director, Deputy Managing Director, Executive Director and Management to discuss audit related matters that they wish to raise directly with the ARC during the financial year.</p> <p>In the assessment of the independence and other ethical responsibilities of THK, the ARC noted that THK has declared its independence in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") and have fulfilled their other ethical responsibilities in accordance with the By-Laws and the IESBA Code.</p> <p>The ARC was satisfied with the suitability, objectivity, independence of THK and has recommended the re-appointment of THK for the ensuing year.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	All ARC members are 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The ARC is chaired by Mr. Tan Kak Teck who is a member of Malaysian Institute of Accountants (MIA) and a Fellow Member of Association of Chartered Certified Accountants (ACCA).</p> <p>All the ARC members attended several continuing professional development training programmes/seminars/webinars in 2022 to keep themselves abreast of relevant development which are disclosed in the Annual Report 2022.</p> <p>All the members in ARC also have extensive experience and equipped with the business knowledge and skills relevant to the Company’s business.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The functions of the ARC have been expanded to ensure risk management and proper internal controls framework are in place with an adequate awareness and understanding of risk by the Management and proper internal control system in place to safeguard shareholders' interests and the Company's assets.</p> <p>The Board delegates monitoring and reviewing of risk management plan to the ARC. The ARC delegates to the Risk Management Working Group ("RMWG") and the members consist mainly of all Departmental Heads of the Group who will monitor and update the ARC on the status and development of the risk management processes. The internal audit functions which have been outsourced to an Independent Internal Auditor reports directly to the ARC.</p> <p>The information on risk management framework and internal control system are disclosed under the Statement on Risk Management and Internal Control of the Annual Report 2022.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The key features of the Company’s risk management framework and internal control system and its adequacy and effectiveness can be found under the Statement on Risk Management and Internal Control in the Annual Report 2022.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

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

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

### 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 has outsourced the internal audit function to an independent professional service provider (“<b>Outsourced IA</b>”) which reports directly to the ARC.</p> <p>The Outsourced IA had carried out, tabled and briefed ARC on the outcome of their internal review based on approved Internal Audit Plan 2022 which was tabled for ARC’s approval in August 2021.</p> <p>The activities of the internal audit function carried out by the Outsourced IA in 2022 are set out in the ARC Report in the Annual Report 2022.</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

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

## Practice 11.2

The board should disclose—

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Outsourced IA is an independent professional firm, which is a corporate member to Internal Auditors Malaysia. They are free from any relationships or conflict of interest which could impair their objectivity and independence.</p> <p>The internal audits are carried out in accordance with the International Professional Practices Framework established by the Institute of Internal Auditors Global.</p> <p>The Outsourced IA consists of nine (9) personnel based in their office comprising one (1) executive director, one (1) senior manager, and seven (7) senior consultants/consultants. The Head of Internal Audit, Mr Jason Tee, is an associate member of the Institute of Internal Auditors, Malaysia.</p> <p>The ARC is satisfied with the appointed outsourced independent professional firm to carry out the internal audit function based on their competencies, experience and resources.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is 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 importance of establishing a direct line of communication with shareholders and investors through timely dissemination of information on the Group’s performance and operations via distribution of annual reports and relevant circulars, and release of quarterly financial results, press releases and announcements.</p> <p>Nevertheless, the Company recognises that electronic media via its website is used as the primary communication channel to promote instant communication and wide coverage to the shareholders. Shareholders and investors can enquire about investor relations matters via the Company’s website at <a href="http://www.ygcorp.com.my">www.ygcorp.com.my</a>.</p> <p>The Company also embraces importance of social media as a trustworthy communication to reach wider audiences and different groups of stakeholders.</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.

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



**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company issued its Notice of 56<sup>th</sup> AGM together with its Explanatory Notes, Form of Proxy and the Annual Report 2021 on 29 April 2022, that was at least 28 days before the 56<sup>th</sup> AGM held on 31 May 2022, to allow sufficient time for shareholders to make arrangement to attend either in person or by proxy(ies), corporate representative(s) or attorney(s).</p> <p>The Notice of 56<sup>th</sup> AGM was published in The Star newspapers on 29 April 2022 and made available on the Company's website at <a href="http://www.ygcorp.com.my">www.ygcorp.com.my</a></p> <p>The Company will continue the best practice of 28 days' notice for the forthcoming Fifty-Seventh AGM scheduled to be held on 31 May 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 13.2**

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

Application	:	Applied	
Explanation on application of the practice	:	<p>All the Directors and the Chairpersons of ARC, NC and RC including the Management and External Auditors, attended the 56<sup>th</sup> AGM held on 31 May 2022 and responded to the shareholders’ and proxies’ questions.</p> <p>During the 56<sup>th</sup> AGM, the Board encouraged participation from the shareholders and proxies by having a questions-and-answers (“Q&amp;A”) session. There were no questions raised by the shareholders and proxies during the 56<sup>th</sup> AGM.</p> <p>The proceedings of the 56<sup>th</sup> AGM were recorded in minutes of the meeting and the summary of key matters was published on the Company’s website at <a href="http://www.ygcorp.com.my">www.ygcorp.com.my</a>.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate—

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The 56<sup>th</sup> AGM was held and conducted on a virtual basis through live streaming and online remote voting from the Broadcast Venue at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) (“<b>Broadcast Venue</b>”). All shareholders and proxies who are attending and participating in the 56<sup>th</sup> AGM remotely through remote participation and voting (“<b>RPV</b>”) facilities were able to pose questions and vote online.</p> <p>The Company used the RPV facilities provided by the service provider, ShareWorks Sdn Bhd which has been robustly tested to gain assurance on its reliability, stability and security to allow for a large number of participants to attend, participate and vote the 56<sup>th</sup> AGM simultaneously.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the Company has always been cognisant of the importance in ensuring the AGM supports meaningful engagement between the Board, Management and shareholders.</p> <p>At the 56<sup>th</sup> AGM, the Chairman encouraged the participation of shareholders and proxies through Q&amp;A session. The shareholders were given opportunity to email their questions to the Board of Directors of the Company prior to the 56<sup>th</sup> AGM as well.</p> <p>There were no questions posed by the shareholders and proxies at the 56<sup>th</sup> AGM of the Company.</p> <p>The outcome of the 56<sup>th</sup> AGM was announced to Bursa Securities on the same day after the conclusion of the 56<sup>th</sup> AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company's 56<sup>th</sup> AGM was successfully held and conducted on a virtual basis through live streaming and online remote voting from the Broadcast Venue on 31 May 2022. The shareholders and proxies are encouraged to pose their questions using RPV facilities.</p> <p>However, there were no questions raised by the shareholders and proxies at the 56<sup>th</sup> AGM of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Company had adopted this practice as the minutes of the 56 <sup>th</sup> AGM was published on the Company's website within 30 business days from the conclusion of the 56 <sup>th</sup> AGM.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

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

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

Not Applicable
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