

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0250
COMPANY NAME : YX Precious Metals Bhd
FINANCIAL YEAR : December 31, 2023

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 of Directors of YX Precious Metals Bhd ("YXPM" or "Company") ("Board") assumes full responsibility and retains full and effective control over the affairs of YXPM and its subsidiaries ("YXPM Group" or "Group"). The responsibilities of the Board include amongst others, the following:</p> <ul style="list-style-type: none">a. Reviewing and approving the strategic business plan of the Group;b. Monitoring corporate performance and the conduct of the Group's business and ensuring compliance to best practices and principles of corporate governance through the Audit and Risk Management Committee ("ARMC");c. Identifying and implementing appropriate systems to manage principal risks through the ARMC;d. Ensuring succession planning for top management;e. Ensuring a transparent Board nomination and remuneration process;f. Reviewing the effectiveness of the Group's system of risk management as well as the adequacy and integrity of the Group's internal control system and management information system for compliance with applicable standards and laws and regulations;g. Developing and implementing an investor relation program or shareholders' communications policy for the Company;h. Developing an ethical standard for the Group through code of conduct and ensure its compliance;i. Setting the Company's sustainability strategies, priorities and targets;j. Ensuring that all Directors are able to understand financial statements and form a view on the information presented; andk. Ensuring the integrity of the Company's financial and non-financial reporting.
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 1.2

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>Prior to 12 January 2023, the Board was led by the late Tan Sri Azlan Bin Mohd Zainol, being our former Independent Non-Executive Chairman.</p> <p>After the demise of the late Tan Sri Azlan Bin Mohd Zainol, the Board had on 28 February 2023, appointed Puan Sri Nonadiah Binti Abdullah as the Non-Independent Non-Executive Chairman to lead the Board.</p> <p>The Chairman plays a crucial role in providing overall business direction of the Group. In particular, the Chairman is responsible for:</p> <ol style="list-style-type: none">i. Providing leadership for the Board and oversee the Board in the effective discharge of its responsibilities;ii. Leading the Board in the oversight of the Management and ensuring its effectiveness of all aspects of its role;iii. Presiding at Board and shareholder meetings and ensuring the proceedings thereof comply with good conduct and practices. The Chairman may delegate the task of chairing such meetings to any Board members;iv. Ensuring timely dissemination of notice of meeting and agenda to Directors, including relevant Board papers as well as complete and accurate information pertaining to issues scheduled for discussion and/or approval at meetings;v. Acting as facilitator at Board meetings and ensuring that no Board members, whether executive or otherwise, dominates discussion. The Chairman shall also encourage Board members to participate in discussions and that relevant opinions amongst members are forthcoming, resulting in logical and understandable outcomes;vi. Overseeing that adequate time is available for thorough deliberation of key matters and that decisions are taken on a sound and well-informed basis, including the consideration of all strategic and critical issues;vii. Leading the Board meetings and discussions as well as leading the Board in the adoption and implementation of good corporate governance practices in the Company;viii. Managing the interface between the Board and Key Senior Management; andix. Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

	The key roles and responsibilities of the Chairman of the Board are set out in the Board Charter, which is available on the Company's corporate website at https://yxgroup.com.my/public/Board-Charter.pdf .	
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 positions of Chairman and Managing Director (whom has similar duties of a Chief Executive Officer) are helmed by different individuals, namely Puan Sri Nonadiah Binti Abdullah and Ms. Ng Sheau Chyn.</p> <p>The Chairman, Puan Sri Nonadiah Binti Abdullah, appointed to the Board on 28 February 2023, would continue to lead the Board in place of the late Tan Sri Azlan Bin Mohd Zainol. The Chairman is responsible for leading the Board in establishing and monitoring good corporate governance practices as well as ensuring effective operation of the Board.</p> <p>On the other hand, the Managing Director, Ms. Ng Sheau Chyn is responsible for the implementation of business direction and strategy and day to day management of the Group.</p> <p>The distinct and separate roles of the Chairman and Managing Director, with a clear division of responsibilities, ensure that there are balance of power and authority, such that neither individual has unfettered powers of decision-making.</p> <p>The roles and responsibilities of the Chairman and Managing Director are provided in the Board Charter, which is available on the Company's website at https://yxgroup.com.my/public/Board-Charter.pdf.</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 :	Puan Sri Nonadiah Binti Abdullah is not a member of the ARMC, Nomination Committee ("NC") and Remuneration Committee ("RC").
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 Company Secretary, Teoh Kok Jong from Ace Management Consulting Services Sdn Bhd, is an affiliate of Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and a Licensed Secretary by Suruhanjaya Syarikat Malaysia, satisfies the qualification to act as Company Secretary pursuant to Section 235(2) of the Companies Act 2016 ("Act").</p> <p>The Company Secretary is responsible for providing support and guidance in advising the Board of all secretarial matters of the Company, in particular the compliance of the ACE Market Listing Requirement of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"), advising the Board and Board Committees on the respective roles and responsibilities, as well as informing and keeping the Board updated on the latest developments on the enhancements in corporate governance, changes in the legal regulatory framework, new statutory requirements and best practices.</p> <p>Further, the Company Secretary is also responsible for the logistics issue in relation to the Board and Board Committees meetings, recording the proceeding of all Board and Board Committees meetings and proper maintenance of statutory records.</p> <p>The roles and responsibilities of the Company Secretary are provided in the Board Charter, which is available on the Company's website at https://yxgroup.com.my/public/Board-Charter.pdf.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board is responsible for setting the Board meeting agenda and ensuring that the Board Committees meetings are held separately and not combined with the main Board meeting.</p> <p>In order to ensure all Directors are aware of all necessary information and provided with sufficient time to consider matters to be deliberated at Board meeting and Board Committees meeting, the Company Secretary shall circulate the meeting agenda and meeting materials to all members of the Board at least five (5) business days prior to the scheduled meetings. This enable the members of the Board to obtain further information and clarification to facilitate well-informed decision-making during the meetings.</p> <p>The Company Secretary is also responsible for the preparation of the Board/Board Committee meeting minutes and ensure that issues deliberated were properly recorded, including how decisions and conclusions were arrived at. Thereafter, all minutes of each meeting are properly circulated for the Board's review after the respective meeting and approved by the Board in the following meeting.</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 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 objective of the Company’s Board Charter is to provide guidance and sets out the guidelines on the manner in which the Board’s constitutional powers and responsibilities will be exercised and discharged as well as outlining the respective roles and responsibilities of the Board, Board Committees, individual Directors and management. Further, the Board Charter also sets forth the core principles of corporate governance to which the directors should strive for.</p> <p>The Board will review and update the Board Charter in accordance with the needs of the Company and any regulations that may bring an impact on the corporate governance practices of the Company and the responsibilities of the Board in discharging its governance function.</p> <p>A copy of Board Charter is made available on the Company’s website at https://yxgroup.com.my/public/Board-Charter.pdf.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

The board establishes a Code of Conduct 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 developed an ethical standard for the Group through its establishment of Code of Conduct to facilitate and ensure the Board and all the employees within the Group maintain and enforce highest standard of ethics and professional conduct in the performance of their duties and responsibilities throughout the organisation. The Code of Conduct also includes the strategic mission and vision statements and core values of the Company.</p> <p>The Board reviews the Code of Conduct regularly to ensure that new requirements and suggestion of best practices are being updated and incorporated into the code.</p> <p>A copy of the Code of Conduct is made available on the Company's website at https://yxgroup.com.my/public/Code-of-conduct.pdf.</p> <p>In addition, the Company also adopts the Anti-Corruption Policy and Procedures which governs the prevention of corruption and unethical practices within the Group pursuant to the Listing Requirements and Subsection (5) of Section 17A of the Malaysian Anti-Corruption Commission Act 2009. The purpose of the Anti-Corruption Policy and Procedures is to set out the responsibilities of the Group and those working for the Group in observing and upholding the Group's position against corruption and bribery. The Anti-Corruption Policy and Procedures will provide information and guidance to the employees on how to recognise and deal with corruption and bribery issues and set out the procedure on how to raise concerns on breached of Anti-Corruption Policy and Procedures.</p> <p>The Anti-Corruption Policy and Procedures is available on the Company's website at https://yxgroup.com.my/public/Anti-corruption.pdf.</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 Board has established a Whistleblowing Policy to foster an environment where values and highest standard of work ethics are upheld by all Directors, Key Senior Management and employees in line with good corporate governance and business integrity practices.</p> <p>The Whistleblowing Policy provides an avenue for its employees and other stakeholders including shareholders, suppliers and customers to report genuine concerns on acts committed by employees and/or Directors arising from unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements without fear of reprisal provided they act in good faith when reporting such concerns. This will strengthen the accountability and transparency in the business affairs of the Company.</p> <p>The Whistleblowing Policy is regularly reviewed by the Board as and when required to ensure that it remains relevant and appropriate.</p> <p>A copy of the Whistleblowing Policy is available on the Company's website at https://yxgroup.com.my/public/Whistleblowing-policy.pdf.</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	:	<p>The Board acknowledges its responsibilities in ensuring the strategic plan of the Company supports long-term value creation and includes strategies on environment, social and governance considerations underpinning sustainability.</p> <p>The Board is supported by the Sustainability Working Group that enables the Board to assess and ensure that sustainability governance is structured and functioning through the various level of management.</p> <p>The Sustainability Working Group comprises of the following members:</p> <ul style="list-style-type: none">i. Ng Sheau Chyn (Managing Director);ii. Samuel Sia Hsiao Guong (Group Financial Controller);iii. Ong Hui Eng (Head of Resource Planning); andiv. Norhisham Bin Mohd Hashim (Manager, Process & System Improvement). <p>The Sustainability Working Group is responsible for identifying, evaluating, monitoring and managing the potential sustainability risks and opportunities as well as ensures all material sustainability matters are being considered and managed by the Group through its sustainability initiatives, including stakeholder engagement and materiality assessment.</p> <p>The sustainability governance structure is outline in the Sustainability Statement in the Annual Report 2023.</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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board endorses a transparent communication with the Group’s internal and external stakeholder.</p> <p>Details of the Group’s sustainability strategies are disclosed in the Sustainability Statement as set out in the Annual Report 2023. The Annual Report 2023 is also available for reference at the Company’s website at https://yxgroup.theinvestorrelations.com/.</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 4.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has sound understanding and knowledge on the sustainability issues that are relevant to the Group and its businesses with the assistance from the Sustainability Working Group. The Board is updated and briefed on the Group's sustainability matters by the Sustainability Working Group on a yearly basis.</p> <p>Further details on the measures taken by the Board to attain a better and more sustainable future are disclosed in the Sustainability Statement of the Annual Report 2023. The Annual Report 2023 is also available for reference at the Company's website at yxgroup.com.my/annual-reports/</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 4.4

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	:	Please provide an explanation on how the practice is being applied.	
Explanation for departure	:	Sustainability related performances currently does not constitute part of the Key Performance Indicators (“KPI”) for the annual performance evaluation of the Board and Key Senior Management.	
		Nonetheless, the Group will look into a detailed study to develop the criteria in relation to sustainability matters and incorporate the criteria as one of the KPI for the annual performance review of the Board and Key Senior Management in the financial year ending 31 December 2024.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Group has established the Sustainability Working Group that enables the Board to assess and ensure that sustainability governance is structured and functioning through the various level of management.</p> <p>The Sustainability Working Group comprises of the following members:</p> <ul style="list-style-type: none">i. Ng Sheau Chyn (Managing Director);ii. Samuel Sia Hsiao Guong (Group Financial Controller);iii. Ong Hui Eng (Head of Resource Planning); andiv. Norhisham Bin Mohd Hashim (Manager, Process & System Improvement) <p>The sustainability working group is responsible for identifying, evaluating, monitoring and managing the potential sustainability risks and opportunities as well as ensures all material sustainability matters are being considered and managed by the Group through its sustainability initiatives, including stakeholder engagement and materiality assessment.</p>

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NC is responsible for ensuring the Board composition and tenure of each Director are reviewed periodically.</p> <p>For the financial year ended 31 December 2023, the NC has conducted an annual assessment on the performance of the Board as well as the independency of each Independent Directors before making its recommendation to the Board.</p> <p>The NC has also reviewed the composition of Board and its Board Committees as well as assessed the performance and contribution of the retiring Directors prior to providing recommendation to the Board for their approval of re-electing the said retiring Directors.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Presently, the Board comprises of one (1) Non-Independent Non-Executive Chairman, one (1) Managing Director, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors. The Independent Directors constitute half or 50.00% of the Board composition.</p> <p>The Company has also complied with Rule 15.02(1) of the Listing Requirements to have at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be Independent Directors and at least one (1) director is woman.</p> <p>The current composition of the Board provides an effective Board with a mix of industry specific knowledge, broad based business and commercial experience together with independent judgement on matters of strategy, operations, resources and business conduct. The combination of professionals with diverse and varied backgrounds, wealth of experience and expertise in legal, finance and corporate affairs also enables the Board to discharge its responsibilities effectively and efficiently. Profile of the Directors are as set out in the Annual Report 2023.</p> <p>A copy of Annual Report is made available on the Company's website at https://yxgroup.theinvestorrelations.com/.</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 5.3

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	:	The Board noted that the tenure of an Independent Director shall not exceed a cumulative term limit of nine (9) years. Currently, there is no Independent Director who served beyond nine (9) years.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NC is responsible for providing recommendation to the Board on the suitable candidates for the Directorship and Key Senior Management of the Group. Accordingly, the appointment of the Board members and Key Senior Management are made after taking into consideration of, amongst others, their integrity, independence, professionalism, experience, leadership, expertise and skillset as well as the ability to exercise sound judgment relevant to the Group's business in accordance with the NC's Terms of Reference and Board Charter of the Company.</p> <p>The NC's Terms of Reference and Board Charter are available on the Company's website at https://yxgroup.com.my/public/Board-Charter.pdf.</p> <p>On 28 February 2023, Puan Sri Nonadiah Binti Abdullah was appointed as Non-Independent Non-Executive Chairman of the Board. The NC has interviewed her and assessed her experience, skills and competencies. The NC was satisfied that she has fulfilled the criteria required by the Board and has recommended her appointment to the Board.</p> <p>The Board is of the view that the current Board members and Key Senior Management of the Group consist of members from a wide range of discipline and background, providing an in-depth and diversity in experience to the Group's operation.</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 5.6

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>On 28 February 2023, Puan Sri Nonadiah Binti Abdullah was appointed as Non-Independent Non-Executive Chairman of the Board following to the demise of the Independent Non-Executive Chairman, the late Tan Sri Azlan Bin Mohd Zainol on 12 January 2023.</p> <p>The selection of candidate was based on the recommendation from existing board members. Nonetheless, the NC had on 16 February 2023 interviewed Puan Sri Nonadiah Binti Abdullah and assessed her experience, skills and competencies. The Board was satisfied that Puan Sri Nonadiah Binti Abdullah is a suitable candidate as she has met the criteria required by the Board for the said role.</p> <p>Moving forward, the NC and the Board will consider utilises independent sources such as the Institute of Corporate Directors Malaysia to identify suitably qualified candidates for appointment of Directors.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.7

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 profiles of Directors which include their age, gender, qualifications, directorships in other companies, working experiences, information on conflict of interest as well as their shareholdings in the Company are set out in the Annual Report 2023 which is also available for reference at the Company's website at https://yxgroup.theinvestorrelations.com/.</p> <p>During the financial year ended 31 December 2023, the NC has carried out an annual assessment to assess the effectiveness of the Board and Board Committees internally based on the agreed evaluation process, criteria to be used and the evaluation method. Peer Evaluation was also conducted between the Directors to assess the performance of each individual Director during the financial year.</p> <p>Based on the satisfactory evaluation of the respective Director's performance and contributions to the Board, the NC then recommended to the Board the re-election of the retiring Directors at the forthcoming Annual General Meeting ("AGM").</p> <p>The justification to re-elect the retiring Directors to stand for re-election has been included in the Statement Accompanying Notice of AGM as set out in the Annual Report 2023 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 NC is chaired by Ms. Aw Ee Leng, an Independent Non-Executive Director.	
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	:	Applied	
Explanation on application of the practice	:	There are total four (4) women Directors which accounted for 66.67% of the Board composition.	
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 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a Board and Senior Management Diversity Policy to include and make good use of differences in the skills, regional and industry experience, background and other qualities of Directors and Senior Management.</p> <p>Through the NC, the Board will consider gender diversity as part of its selection of candidates for the Board and Key Senior Management positions to encourage women participations. Currently, there are four (4) women members on the Board which represents 66.67% of the total Board members. There are also two (2) women members on the Key Senior Management team, which represents 50.00% of the total Key Senior Management.</p> <p>Details of the Board and Senior Management Diversity Policy are set out in the Annual Report 2023. The Annual Report 2023 is also available for reference at website https://yxgroup.theinvestorrelations.com/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to 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 NC performs annual evaluation of each of the Board members and the ARMC, by taking into consideration their skill sets and commitment required from them to discharge their duty.</p> <p>The Directors are also required to declare their interest in the Company as well as their directorship in other public companies and other listed issuers. In addition, all Directors also need to confirm if there is any sanction or penalty imposed onto them by relevant regulatory bodies during the financial year or offences convicted within the past five (5) years.</p> <p>The assessment of ARMC was conducted through peer and self-evaluation.</p> <p>In overall, the NC is satisfied with the evaluation of the Board members and the AMRC.</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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Group will look into a detailed study to develop a Remuneration Policy to set out principles to be used in recommending the remuneration package of the Executive and Non-Executive Directors and Key Senior Management, in order to attract, motivate and retain talent.	
		The Group has in place an annual appraisal system for the Directors and Key Senior Management and the remuneration is tailored according to the evaluations.	
<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 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has set up a RC comprises exclusively of Independent Non-Executive Directors in order to assist the Board to determine the remuneration package of Directors and Key Senior Management.</p> <p>The RC has a written Terms of Reference serve as a guidance for the committee in discharging of its duties and responsibilities which includes:</p> <ul style="list-style-type: none">• Ensuring a transparent and formal procedure is established in the development and assessment of the level of compensation that would be sufficient to attract and retain good calibre Directors and Key Senior Management;• Reviewing the composition of the various types of components of remuneration package such as fees, allowances, basic salaries, bonuses and other benefits-in-kind for Directors and Key Senior Management; and• Ensuring that the components of the remuneration package of Directors and Key Senior Management are linked to their performance, responsibility levels and are comparable with market norm. <p>The Terms of Reference of the RC is made available to public at the Company's website at https://yxgroup.com.my/public/Board-Charter.pdf.</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

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	:	The detailed disclosure on named basis for the remuneration of individual Directors for the financial year under review is set out in the table below and Corporate Governance Overview Statement of the Annual Report 2023.

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	Tan Sri Azlan Bin Mohd Zainol (Demised)	Independent Director	5	-	-	-	-	-	5	5	-	-	-	-	-	5
2	Puan Sri Nonadiah Binti Abdullah	Non-Executive Non-Independent Director	50	3	-	-	-	-	53	50	3	-	-	-	-	53
3	Datuk Ng Yih Pyng	Non-Executive Non-Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Ng Sheau Chyn	Executive Director	-	-	-	-	-	-	-	-	-	470	93	21	68	652
5	Tang Yow Sai	Independent Director	48	3	-	-	-	-	51	48	3	-	-	-	-	51
6	Aw Ee Leng	Independent Director	37	3	-	-	-	-	40	37	3	-	-	-	-	40
7	Wong Phait Lee	Independent Director	36	3	-	-	-	-	39	36	3	-	-	-	-	39

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	:	Applied – the company discloses the remuneration of members senior management who are not members of the board	
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	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Samuel Sia Hsiao Guong	Group Financial Controller	200,001-250,000	0-50,000	0-50,000	0-50,000	0-50,000	250,001-300,000
2	Lim Wai Chee	Head of design and development	50,001-100,000	0-50,000	0-50,000	0-50,000	0-50,000	100,001-150,000
3	Ong Hui Eng	Head of resource planning	50,001-100,000	0-50,000	0-50,000	0-50,000	0-50,000	100,001-150,000
4	Whelly @ James Bin Gonsorob @ Roseday	Head of production	50,001-100,000	0-50,000	0-50,000	0-50,000	0-50,000	50,001-100,000

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)					Total
			Salary	Allowance	Bonus	Benefits	Other emoluments	
1								
2								
3								
4								
5								

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 Board has established an ARMC which is chaired by the Independent Non-Executive Director, Mr. Tang Yow Sai.</p> <p>Meanwhile, the Board is led by the Chairman, Puan Sri Nonadiah Binti Abdullah. As such, the Chairman of the ARMC is distinct from the Chairman of the Board.</p> <p>This segregation of duties ensures the effectiveness and independence of the ARMC and enables the Board to objectively review the ARMC's findings and recommendations.</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 9.2

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	:	The ARMC has a policy that requires a former key partner to observe a cooling-off period of at least three (3) years before being appointed as a member of ARMC	
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 ARMC has established a transparent and appropriate relationship with the Company's External Auditors as documented in the Terms of Reference of the ARMC. The Company's External Auditors will highlight to the ARMC and the Board on matters that require the Board's attention.</p> <p>The ARMC is responsible for reviewing the audit, recurring audit-related and non-audit services provided by the External Auditors. The ARMC has been explicitly accorded with the power to communicate directly with both the External Auditors and Internal Auditors. The terms of engagement for services provided by the External Auditors are reviewed by the ARMC prior to submission to the Board for approval. The effectiveness and performance of the External Auditors will be reviewed annually by the ARMC.</p> <p>To assess or determine the suitability and independence of the External Auditors, the ARMC has taken into consideration of the following:</p> <ul style="list-style-type: none">• the adequacy of the experience and resources of the External Auditors;• the External Auditors ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;• the nature and extent of the non-audit services provided by the External Auditors and the appropriateness of the level of fees paid for such services relative to the audit fee; and• whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit and avoid situations where the audit firm inadvertently assumes the responsibilities of management in the course of providing non-audit services or tenure of the External Auditors. <p>Before the commencement of the current financial year audit, the ARMC has reviewed and deliberated with the External Auditors on their audit planning memorandum, covering the audit risk areas, approach, emphasis and timeline.</p>

	The ARMC also noted the External Auditors' independence check and confirmation procedures carried out in the firm as well as no conflict of interest for rendering their non-audit services to YXPM Group presently.	
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 ARMC comprises of three (3) members, all of whom are Independent Non-Executive Directors, as follows: Chairman: Mr. Tang Yow Sai Member: Ms. Aw Ee Leng Member: Ms. Wong Phait Lee

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 Chairman of the ARMC, Mr. Tang Yow Sai, is a Certified Public Accountant and is a member of the Malaysian Institute of Certified Public Accountants since June 1993. He also obtained the Associate Qualification in Islamic Finance in 2012 and the Intermediate Qualification in Islamic Finance in 2015, both from the Islamic Banking and Finance Institute Malaysia. Aside from that, he is also a Chartered Professional in Islamic Finance and is a member of the Chartered Institute of Islamic Finance Professionals since 2019.</p> <p>All members of the ARMC are financially literate and assist the Board in overseeing and scrutinising the process and quality of the financial reporting, to ensure accuracy, adequacy and completeness of the report, as well as in compliance with the relevant accounting standards.</p> <p>From time to time, whenever there are developments in financial reporting, the ARMC members will be periodically updated through platform of their professional bodies, the External Auditors or the Company Secretary. All members of ARMC undertake and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules to enable them to effectively discharge their duties.</p> <p>They have carried out their duties in accordance with the Terms of Reference of the ARMC. The qualification and experience of the ARMC members are disclosed in the Directors' Profile in the Annual Report 2023.</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	:	The Board has established an effective risk management and internal control framework to guide the implementation of its business decision well within the acceptable risk of the Group. The overview of the risk management and internal control framework are disclosed in the Statement on Risk Management and Internal Control of the Annual Report 2023.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The main features of risk management and internal control framework are disclosed in the Statement of Risk Management and Internal Control section of the Annual Report 2023.</p> <p>The ARMC reviews the risk management framework annually to ensure that it remains adequate and effective.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	The ARMC comprises of three (3) members, all of whom are Independent Non-Executive Directors, as follows: Chairman: Mr. Tang Yow Sai Member: Ms. Aw Ee Leng Member: Ms. Wong Phait Lee

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 is set out in the Statement on Risk Management and Internal Control section of the Annual Report 2023.</p> <p>The annual audit plan, established primarily on a risk-based approach, is reviewed and approved by the ARMC annually. At its quarterly meetings, the Head of Internal Audit department presented to the ARMC for its deliberation, the progress of the audit plan, including the status of Internal Audit assignments, key findings from audit reports, audit recommendations by the internal auditors, the representations made, and the corrective actions taken by Management in addressing and resolving issues and ensured that all issues were adequately addressed on a timely basis.</p> <p>The Head of the Internal Audit Department reports directly to the ARMC.</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 has an internal audit function which is independent of the activities it reviews. The Head of the Internal Audit Department reports directly to the ARMC. The internal audit personnel are free from any relationships and no conflict of interest, which could impair their objectivity and independence.</p> <p>The Internal Audit Department comprised two (2) internal auditors and is headed by Mr. Chew Ray Men who holds a Bachelor of Arts (Accounting and Finance) from the University of Greenwich.</p> <p>The Internal Audit Department is guided by the Internal Audit Charter, Internal Audit Manual and the Committees’ Terms of Reference. The internal audit was carried out in accordance with the Core Principles for the Professional Practice of Internal Auditing, published in the Guidance for an Effective Internal Audit by Institute of Internal Auditors Malaysia.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises that information is the lifeblood of capital market and effective communication between the Group and its stakeholders is imperative for informed decision making. The Group also places strong emphasis on the importance of timely and equitable dissemination of information to shareholders and other stakeholders. Whilst the Group endeavours to provide as much information as possible to its stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price sensitive information.</p> <p>The communication channels used in the Company's engagement with its stakeholders are as follows:</p> <ul style="list-style-type: none"> • The Company's website; • Announcements via Bursa Link; • Annual Reports; • General Meetings; and • Investors and analyst briefing activities conducted.
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	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The notice period given for the Company Second (2nd) AGM in 2023 was more than 28 days. The notice was sent on 7 April 2023 and the date of the Second (2nd) AGM was 10 May 2023.</p> <p>The Third (3rd) AGM of the Company is scheduled on 14 May 2024 and the Notice of the Third (3rd) AGM accompanying the Annual Report 2023 of the Company will be issued and circulated to the shareholders on 8 April 2024.</p> <p>In this regards, the Notice of the Third (3rd) AGM is circulated more than 28 days prior to the AGM to enable the shareholders with sufficient time to consider the resolutions that will be discussed and decided at the AGM of the Company.</p> <p>The notice of the AGM will outline the resolutions to be tabled at the AGM together with explanatory notes and background information to enable the shareholders to make informed decisions in exercising their voting rights.</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 13.2

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 of the Company, including the Chairman of the ARMC, NC and RC, had attended the Second (2nd) AGM held on 10 May 2023. During the questions and answers session of the AGM, the Chairman of the Board invited shareholders to raise questions pertaining to the agenda and resolutions tabled before putting them for voting. The Directors, including the Group Financial Controller were in attendance to response to the shareholders' queries.</p> <p>The Company is committed to comply with this Practice 13.2 in the forthcoming Third (3rd) AGM.</p> <p>Shareholders are given direct access to the Board and are encouraged to participate in the proceedings and seek clarification on the performance of the Group. The Board is committed to provide meaningful responses to questions from shareholders and stakeholders during the meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The forthcoming Third (3rd) AGM to be held on 14 May 2024 will be conducted physically in Kuala Lumpur and remote participation by shareholders are not available. The venue chosen for the AGM is easily accessible to shareholders and comes with ample car park.</p> <p>Shareholders who are unable to attend the AGM are advised that they can appoint proxies to attend and vote on their behalf by completing the proxy form enclosed in the Annual Report 2023 and depositing it at the Registered Office before the time for holding the meeting or any adjournment thereof. Hence, this allows them to vote in absence.</p> <p>All resolutions set out in the Notice of AGM will be put to vote by poll. Our Company will also appoint independent scrutineer to validate the vote cast in the AGM. The outcome of the AGM will be announced on Bursa Securities' website on the same day.</p> <p>Moving forward, the Company may consider exploring a suitable and reliable system to facilitate voting in absentia and remote participation by shareholders.</p> <p>However, before resorting to the use of technology voting system, our Board will observe the shareholders turn-up numbers in the next few annual general meetings until year 2025 and evaluate the cost and benefit of the electronic and technology voting system options for managing voting by large.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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>All the Directors of the Company, including the Chairman of the ARMC, NC and RC, had attended the Second (2nd) AGM held on 10 May 2023. During the Second (2nd) AGM held on 10 May 2023, the Chairman of the Board invited shareholders to raise questions pertaining to the agenda and resolutions tabled before putting them for voting. The presence of all Directors represented an opportunity for the shareholders to engage with each Director and also allowed the shareholders to raise questions and concerns directly to the Directors. The meeting minutes was published on the Company's website at https://yxgroup.com.my/public/YXPM-2nd-AGM-minutes.pdf under "Minutes of AGM".</p> <p>The Company is committed to comply with this Practice 13.4 in the forthcoming Third (3rd) AGM, where the Chairman of the Board will ensure that the upcoming AGM support meaningful engagement between the Board, Key Senior Management and the shareholders.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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 Second (2 nd) AGM held on 10 May 2023 on the Company's website at https://yxgroup.com.my/public/YXPM-2nd-AGM-minutes.pdf .
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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