

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of YBS International Berhad (“YBS” or “the Company”) (“Board”) is pleased to provide an overview of the Company’s corporate governance practices during the financial year ended 31 March 2024 (“FY2024”) with reference to the 3 Principles as set out in the Malaysian Code on Corporate Governance (“MCCG” or “the Code”). The Company’s application of each Practice set out in MCCG during FY2024 is disclosed in the Company’s Corporate Governance Report (“CG Report”) which is available on the Company’s website at www.ybsinternational.com as well as via the Company’s announcement made to Bursa Malaysia Securities Berhad (“Bursa Securities”).

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

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board is responsible for oversight and overall management of the Company and the delivery of sustainable value to its stakeholders. To ensure the effective discharge of its function and responsibilities, the Board established an internal governance model for delegating of specific powers of the Board to the relevant Board Committees, Group Managing Director and Chief Executive Officer (“CEO”) and Executive Directors and the Key Senior Management (“KSM”) of the Company and respective subsidiaries.

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

The Board has established Board Committees, namely Audit, Sustainability and Risk Committee, Nominating Committee and Remuneration Committee.

The Board Committees are entrusted with specific responsibilities to oversee the Group’s affairs, with authority to act on behalf of the Board in accordance with their respective Terms of Reference (“ToR”). At each Board meeting, minutes of Board Committee meetings will be circulated to the Board to keep the Board informed. The Chairman of the relevant Board Committees also report to the Board on key issues deliberated by the Board Committees at their respective meetings.

Separation of Roles of Chairman and CEO

The Company practises a division of responsibilities between the Independent Non-Executive Chairman and the CEO. Their roles are separated and clearly defined to ensure a balance of power and authority, increased accountability and greater capacity of the Board for independent decision-making. The Chairman is not related to the CEO. The positions of the Chairman and CEO are held by different individuals with clear and distinct roles which are formally documented in the Board Charter of YBS.

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

The CEO oversees the day-to-day operations of the business, making strategic business decision and implementing Board policies.

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

I. Board Responsibilities (Cont'd)

Company Secretary

The Company Secretary of the Company has legal credentials and is qualified to act as company secretary under Section 235(2) of the Companies Act, 2016.

Access to Information and Advice

The Directors have individual and independent access to the advice and dedicated support services of the Company Secretary in ensuring the effective functioning of the Board. Generally, the meeting papers for the Board of Directors' Meeting and/or respective Committee Meeting are circulated at least seven (7) days prior to the Meetings. In promoting productive discussions during the respective Meetings, the Directors may seek advice from the Management on issues under their respective purview. The Directors may also interact directly with the Management, or request further explanation, information or updates on any aspect of the Group's and of the Company's operations or business concerns from them.

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

Board Charter

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

The Board last reviewed its charter on 22 July 2024. The Board will continue the practice to review its charter regularly, at least once a year to keep it up to date with changes in regulations and best practices and ensure its effectiveness and relevance to the Board's objectives.

Code of Ethics and Conduct

The Company's Code of Ethics for Directors is based on principles in relation to sincerity, integrity, responsibility and corporate social responsibility. The Code of Ethics is formulated to enhance the standard of corporate governance and corporate behaviour with the intention of achieving the following aims:

- To establish a standard of ethical behaviour for Directors based on trustworthiness and values that can be accepted, are held or upheld by any one person.
- To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administering the Group.

Whistleblower Policy

YBS has in place the Whistleblower Policy and Procedures that fosters an environment in which integrity and ethical behavior are maintained and any illegal or improper actions and/or wrong doings in the Group may be exposed. The Company's Code of Ethics for Directors continues to govern the standards of ethics and good conduct expected of Directors.

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

I. Board Responsibilities (Cont'd)

Anti-Bribery and Corruption Policy

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

Further details pertaining to the respective ToR of Board Committees, Board Charter, Code of Ethics, Whistleblower Policy and Procedures and ABC Policy are available at the Company's website at www.ybsinternational.com.

Directors' Fit and Proper Policy

The Company has in place a Directors' Fit and Proper Policy to ensure that individual who possesses the right qualification, expertise, competence and integrity is appointed as Director in the Group. All candidates to be appointed and seeking for re-election as Directors in the Group, shall undergo a fit and proper review accordance with the Directors' Fit and Proper Policy. The policy is available on the Company's website at www.ybsinternational.com.

II. Board Composition

The Board currently has seven (7) members comprising the one (1) Independent Non-Executive Chairman, three (3) Executive Directors and three (3) Independent Non-Executive Directors. This composition complies with Rule 15.02 of the ACE LR whereby the Company must have at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, who are Independent Directors.

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

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

The presence of the three (3) Independent Non-Executive Directors is essential in providing guidance, unbiased, fully balanced and independent views, advice and judgement to many aspects of the Group's strategy so as to safeguard the interests of minority shareholders and to ensure that high standards of conduct and integrity are maintained by the Group.

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

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

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

II. Board Composition (Cont'd)

Nominating Committee ("NC")

The membership of the NC is as follows:

Chairman	:	Dato' Jimmy Ong Chin Keng	(Independent Non-Executive Director)
Members	:	Low Hee Chung	(Independent Non-Executive Director)
		Gor Siew Yeng	(Independent Non-Executive Director)

The NC of YBS assumes the following core responsibilities:

- formulating the nomination, selection and succession policies for members of the Board;
- review the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board;
- consider the election criteria and develop procedures for the sourcing and election of candidates to stand for election by YBS's shareholders ("Shareholders") or to fill casual vacancies of Directors;
- identify and nominate candidates to the Board for it to recommend to Shareholders for election as Directors;
- undertake an assessment of its Independent Directors annually;
- review the training needs for the Directors annually; and
- establishing a set of quantitative and qualitative performance criteria to evaluate the performance of each member of the Board, each Board Committee and reviewing the performance of the Board as a whole.

Details of the ToR for NC of YBS are available at its corporate website at www.ybsinternational.com.

In line with the ToR of NC, there were two (2) meetings held by the NC during the FY2024. The activities carried out by the NC during the financial year in discharging its functions were as follows, amongst others:

- reviewed the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board;
- undertaken an assessment of independency of its Independent Directors;
- recommended to the Board on those Directors who retire pursuant to Constitution of the Company, being eligible, to seek re-election during the forthcoming AGM;
- reviewed and recommended the continuation in office of the Independent Non-Executive Director who have served beyond 9 years;
- reviewed the training needs for the Directors;
- reviewed and recommended appointment of new Director; and
- reviewed and recommended appointment of Chief Financial Officer and Chief Operating Officer.

Appointment of New Directors to the Board

The Company has in place its procedures and criteria for appointment of new directors. It has been a practice of the Company that NC will carry out an interview with the candidate prior to his/her appointment as a director of the Company. All candidates for appointment are first considered by the NC, taking into account the mix of skills, competencies, experience, professionalism and other relevant qualities required to well manage the business, with the aim to meet the current and future needs of the Board composition. The NC also evaluates the candidates' character integrity and ability to commit sufficient time to the Group. Other factors considered for appointment of Independent Director will include the level of independence of the candidate.

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

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

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

II. Board Composition (Cont'd)

Appointment of New Directors to the Board (Cont'd)

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

Board Evaluation

The NC has also established a set of quantitative and qualitative performance criteria to evaluate the performance of each member of the Board, each Board Committee and reviewing the performance of the Board as a whole. The criteria for assessment of Directors shall include attendance record, intensity of participation at meetings, quality of interventions and special contributions.

On 4 July 2024, an assessment of the effectiveness of the Board, respective Board Committees and Independence (“the Assessment”) was carried out in respect of FY2024. An appraisal form which encompasses quantitative and qualitative performance criteria to evaluate the performance of each member of the Board as well as each Board Committee, was circulated at the NC meeting for assessment. The NC reviewed the required mix of skills, experience and other qualities of the Board and Board Committees and agreed that they have the necessary mix of skill, experience and other qualities to serve effectively.

Notwithstanding the recommendation of the MCCG, the Company does not practise any form of gender, ethnicity and age group biasness as all candidates shall be given fair and equal treatment. The Board believes that there is no detriment to the Company in not adopting a formal gender, ethnicity and age group diversity policy as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Company. The Board is of the view that the appointment of Board member or management should be determined based on objective criteria, merit and with due regard for diversity in skills, experience and other qualities regardless of gender but will nevertheless consider appointing more directors of the female gender where suitable to be in line with the Code’s target. In addition, the Board also strives to broaden the diversity of the Board and Senior Management from time to time.

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

Directors	Industry/Background/Experience								By Composition						
	Technology	Marketing	Precision Engineering Industrial	Precision Stamping Industrial	Corporate	Accounting / Finance	Internal Audit	Law / Legal	Age			Ethnic		Gender	
									20 – 29 years	50 – 59 years	60 – 69 years	Bumiputra	Chinese	Male	Female
Dato’ Dr. Mohd Sofi Bin Osman	√	√	√	√	√	√	√				√		√		
Yong Chan Cheah	√	√	√	√	√	√	√		√				√	√	
Yong Swee Chuan	√	√	√	√		√			√				√	√	
Poa Mei Ling		√	√		√	√	√		√				√		√
Low Hee Chung					√	√	√		√				√	√	
Gor Siew Yeng		√	√	√	√		√	√	√				√		√
Dato’ Jimmy Ong Chin Keng					√	√	√			√			√	√	
Yong Li-Xiang	√	√	√	√					√				√	√	

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

II. Board Composition (Cont'd)

Annual Assessment of Independence

The NC played an important role to assist the Board in assessing the independence of Non-Executive Directors of the Company on annual basis. Based on the assessment conducted by the NC, the Board is generally satisfied with the level of independence demonstrated by all the Independent Directors of the Company and their ability to act in the best interest of the Group.

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

Time Commitment

The Board meets on a quarterly basis with additional meetings held whenever necessary. The Board met six (6) times during the financial year under review. The meeting attendance record of the Directors is as follows:

	Meeting Attendance
Dato' Dr. Mohd Sofi Bin Osman	6/6
Yong Chan Cheah	6/6
Yong Swee Chuan	6/6
Poa Mei Ling*	1/1
Low Hee Chung	6/6
Gor Siew Yeng	6/6
Dato' Jimmy Ong Chin Keng	6/6

* Appointed as Executive Director on 01 January 2024

To ensure that the Directors have the time to focus and fulfill their roles and responsibilities effectively and in line with the ACE LR, a Director of the Company shall hold not more than five (5) directorships in public listed companies. Prior to accepting any new appointment, Directors shall notify the Chairman in writing and this shall include an indication of time that will be spent on the new appointment.

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. Board Composition (Cont'd)

Continuing Training Programme

The Directors are mindful that they should continue to attend training programmes to enhance their skills and knowledge where relevant, as well as to keep abreast of the changing regulatory and corporate governance developments.

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

Director	Date	Description
Dato' Dr. Mohd Sofi Bin Osman	23/05/2023-25/05/2023	Boosting Agility and Resiliency for the Electronics Supply Chain, SEMICON SEA 2023
	19/07/2023	Reverse Mortgages
	22/02/2024	E-invoicing
Yong Chan Cheah	11/07/2023	IATF Introduction and Awareness Briefing
	21/07/2023-22/07/2023	Establishing Strategic Directives (Team Vision)
	30/08/2023	Brainstorm on Procurement/Supply Chain ERP implementation
	26/09/2023-27/09/2023	Briefing 2.0 on ESG Seminar for SME
Yong Swee Chuan	21/07/2023-22/07/2023	Establishing Strategic Directives (Team Vision)
	29/11/2023-01/12/2023	Performance Measurement Through Mastering the Art of Designing KPIs
	04/12/2023-05/12/2023	Basic Awareness and Understanding of IATF 16949:2016 - Automotive Management System (AMS)
	21/12/2023-22/12/2023	Internal Audit/Auditors Skills of IATF 16949:2016 - Automotive Management Systems (AMS)
Poa Mei Ling	24/01/2024-25/01/2024	Internal Auditor for IATF 16949:2016
	28/02/2024-29/02/2024	ISO 14001:2015 Internal EMS Auditor Training
	25/03/2024-26/03/2024	Mandatory Accreditation Programme (MAP)
Low Hee Chung	21/06/2023	Your Journey to E-Invoicing in Malaysia
	13/07/2023	Transfer Pricing Rules 2023 and Special Voluntary Disclosure Programme / Voluntary Disclosure Programme 2.0
	18/10/2023	Seminar Percukaian Kebangsaan 2023
	02/11/2023	Budget 2024
	06/12/2023	E-Invoicing with Access UBS: A Better Way To Do Business
	14/12/2023	Mechanisms and Implications of Capital Gains Tax in Malaysia
	27/02/2024	Transforming Your Business Finances with UBS E-Invoicing
19/03/2024	Simplifying e-Invoicing	
Gor Siew Yeng	11/04/2023	Data Analysis using Power BI
Dato' Jimmy Ong Chin Keng	03/10/2023-06/10/2023	World Conference Information Technology (WCIT 2023), Kuching, Sarawak
	06/11/2023	Malaysia Budget 2024 & Updates
	07/11/2023	Global Chinese Economic & Technology Summit 2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

III. Remuneration

The Company's remuneration policy for Directors is formulated to attract and retain individuals of the necessary calibre needed to run the business of the Group successfully. The remuneration is structured to link experience, expertise and level of responsibility undertaken by the Directors. The Directors play no part in deciding their own remuneration and shall abstain from discussing or voting on their own remuneration.

The details of the Company Directors' remuneration comprising remuneration received/receivable from the Company and its subsidiaries during the FY2024 are as follows:

Name of Directors	Fees RM	Salaries, Bonuses, EPF & Other Emoluments RM	Allowances RM	Employees' share option scheme expenses RM	Benefit-in- kinds RM	Total RM
Non-Executive						
Dato' Dr. Pahamin Ab Rajab [#]	21,411	-	-	-	-	21,411
Dato' Dr. Mohd Sofi Bin Osman	53,847	-	6,750	-	-	60,597
Low Hee Chung	56,000	-	7,250	35,764	-	99,014
Gor Siew Yeng	51,000	-	6,000	26,846	-	83,846
Dato' Jimmy Ong Chin Keng	39,000	-	6,000	25,049	-	70,049
Executive						
Yong Chan Cheah	-	63,092	6,000	-	-	69,092
Yong Swee Chuan	-	64,759	6,000	-	-	70,759
Poa Mei Ling [*]	-	-	1,000	-	-	1,000
Yong Li-Xiang ^{**}	-	459	-	-	-	459
Received/receivable from the Company	221,258	128,310	39,000	87,659	-	476,227
Non-Executive						
Dato' Dr. Mohd Sofi Bin Osman	-	-	-	-	-	-
Low Hee Chung	-	-	-	-	-	-
Gor Siew Yeng	-	-	-	-	-	-
Dato' Jimmy Ong Chin Keng	-	-	-	-	-	-
Executive						
Yong Chan Cheah	-	1,182,695	-	386,756	5,987	1,575,438
Yong Swee Chuan	-	1,185,784	-	386,756	5,313	1,577,853
Poa Mei Ling [*]	-	91,820	-	-	2,250	94,070
Yong Li-Xiang ^{**}	-	121,000	-	-	-	121,000
Received/receivable from the subsidiaries	-	2,581,299	-	773,512	13,550	3,368,361
Total Group	221,258	2,709,609	39,000	861,171	13,550	3,844,588

[#] Demised on 08 July 2023.

^{*} Appointed on 1 January 2024.

^{**} Appointed on 1 September 2023.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit, Sustainability and Risk Committee (“ASRC”)

The Audit Committee has been changed to Audit, Sustainability and Risk Committee on 4 July 2024. The ASRC comprises solely of Independent Directors. The ASRC is chaired by an Independent Director, Mr. Low Hee Chung, a Chartered Accountant of the Malaysian Institute of Accountants, which is in compliance with Rule 15.09(1)(c) of the ACE LR of the Bursa Securities.

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

The roles and responsibilities of the ASRC are spelt out in the ToR of the ASRC, a copy of which is available in the Company’s website at www.ybsinternational.com.

II. Risk Management and Internal Control Framework

The Board fulfills its responsibilities in the risk governance and oversight functions through its Risk Management Committee (“RMC”) in order to manage the overall risk exposure of the Group. The RMC assessed and monitored the efficacy of the risk management controls and measures taken, whilst the adequacy and effectiveness of the internal controls were reviewed by the ASRC in relation to internal audit function for the Group. The RMC comprise of the Group Managing Director and CEO, Executive Director and KSM who are familiar with the business situation of the Group. The Board is satisfied with the performance of the RMC and ASRC and their respective Chairman in discharging their responsibilities, based on the results of the Board Committees Effectiveness Evaluation of the 2023/2024.

The Board is of the view that the internal control and risk management system in place during FY2024, is sound and sufficient to safeguard the Group’s assets and shareholders’ investments, and the interests of customers, regulators, employees and other stakeholders. The details of the Risk Management and Internal Control Framework are set out in the Statement on Risk Management and Internal Control of this Annual Report.

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

I. Communication with Stakeholders

The Board recognises the importance and need for shareholders to be informed of all material development and performance of the Group. The information is disseminated through annual reports, circulars to shareholders, press releases, quarterly reports and announcements made from time to time to Bursa Securities.

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

II. Conduct of General Meetings

YBS's Annual General Meeting ("AGM") is an important means of communicating with its shareholders. At the 21st AGM of the Company held on 24 August 2023, all Directors were present at the meeting. The Chairman of the Meeting invited shareholders to raise questions pertaining to the Company's financial statements and other items for adoption at the meeting, before putting a resolution to vote. The Directors, Management and External Auditors were in attendance to respond to the shareholders' queries.

YBS dispatches its notice of AGM to shareholders at least 28-days before the AGM. The adequate time given to shareholders allows them to make necessary arrangements to attend and participate either in person, by corporate representative, by proxy or by attorney.

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

This statement is made in accordance with a resolution of the Board dated 22 July 2024.