

# **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 9385  
**COMPANY NAME** : LAY HONG BERHAD  
**FINANCIAL YEAR** : March 31, 2025

## **OUTLINE:**

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The major responsibilities of the Board of Directors ("<b>Board</b>") which facilitate the discharge of the Board's stewardship in the pursuit of the best interest of the Company, are outlined in the Board Charter, which is available on the Company's website at <a href="http://www.layhong.com.my">www.layhong.com.my</a>. ("<b>Company's Website</b>").</p> <p>The Board has discharged its key fiduciary duties, leadership functions and responsibilities as summarised below: -</p> <ul style="list-style-type: none"> <li>a) Review and approve strategic plans and key business initiatives;</li> <li>b) Oversee the conduct of the Group's business affairs and to evaluate whether the businesses are properly and effectively managed;</li> <li>c) Identify principal risks and ensure the implementation of appropriate systems and controls to manage these risks;</li> <li>d) Ensure that there are sound succession plans for Board and Senior Management teams; and</li> <li>e) Review the adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.</li> </ul> <p>Kindly refer to Corporate Governance ("<b>CG</b>") Overview Report in the 2025 Annual Report for further details on Board leadership.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

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

### Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board is led by the Executive Chairman, Dato' Yap Hoong Chai ("<b>Dato' Yap</b>").</p> <p>Dato' Yap is responsible for leadership of the Board to ensure efficiency of the organisation and function of the Board.</p> <p>Dato' Yap facilitates the effective contribution of all Directors and promotes constructive and respectful relations among the Board members and between the Board members and the Management.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 1.3**

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Company does not appoint any Chief Executive Officer, the roles and responsibilities of the Chief Executive Officer is currently carried out by the Executive Chairman and the Executive Directors.</p> <p>Their roles include the Group's management, business operations, corporate services function inter-alia, treasury, accounting, finance, human resources, and information technology.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Chairman of the Board is not a member of the Audit Committee, Nominating Committee or Remuneration Committee.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board currently is supported by an External Company Secretary. The Company Secretary is qualified to act as Company Secretary under Section 235 of the Companies Act 2016, who is an Associate Member of the Malaysian Institute of Chartered Secretaries &amp; Administrators. The Company Secretary provide the required support to the Board in carrying out the duties and stewardship role, providing the necessary advisory role with regards to the Company's constitution, the Board's policies and procedures as well as in compliance with all regulatory requirements, guidance and legislation.</p> <p>All Directors also have full and unrestricted access to the advice and services of the Company Secretary and may obtain independent professional advice at the Company's expense in order to discharge their duties effectively. The Board is regularly be updated on new guidelines, directions and new regulatory issues affecting the Group by the Company Secretary as well as external consultants. The Company Secretary together with the Executive Directors assist the Chairman of the Board and the Chairman of the Board Committees to deal with the Board agenda and to provide the relevant information and documents to the Directors on a timely basis. The Board is satisfied with the support and performance provided by the Company Secretary in assisting the Board to discharge its duties.</p> <p>The Board is of the view that the Company Secretary has been competent and kept themselves abreast with the evolving regulatory changes and developments through continuous education programmes and attendance of relevant conferences, seminars and training programmes.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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



### Intended Outcome

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

### Practice 1.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>To facilitate the Directors' time planning, a pre-scheduled annual calendar of the Board meetings is circulated and confirmed by the Board at the beginning of each calendar year to provide ample time for the Directors to plan their attendance.</p> <p>The notices of meetings and agenda are sent to the Directors electronically at least one week in advance and the Board meeting papers are delivered to the Directors in hard copies at least three days prior to the Board meetings. This enables the Directors to prior peruse the matters to be deliberated upon, and if necessary, further information are provided at the meeting for deliberation and decision making.</p> <p>The Board meeting papers include, among others, the following documents or information:</p> <ul style="list-style-type: none"><li>• Quarterly financial results and the report on the Company's cash flow and borrowing position;</li><li>• Minutes of the meetings of all committees of the Board;</li><li>• Current review of the operations of the Company;</li><li>• Reports on Related Party Transactions and Recurrent Related Party Transactions; and</li><li>• Directors' share-dealings.</li></ul> <p>All deliberations, discussions and decisions of the Board meetings were properly minuted and recorded accordingly. The minutes of the Board meetings to be signed by the chairman of the meeting or the chairman of the next meeting.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter of the Company is the key corporate policies and procedures that the Board has decided upon to discharge its responsibilities and authority, including good governance and leadership. The Board Charter also serves as a primary reference and part of the induction literature, providing insights to prospective and existing Board members.</p> <p>This is to ensure that the Board members are aware of their fiduciary duties and responsibilities, various legislations and regulations affecting their conduct, the need for safeguarding the interests of the shareholders and other stakeholders, and that the highest standards of corporate governance are applied in all their dealings in respect and on behalf of the Company.</p> <p>The Board will review the Board Charter from time to time to ensure its applicability to the Company's current situation. The Board Charter is available on the Company' Website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Group's Code of Business Conduct and Ethics ("<b>the Code</b>") sets out the standards of ethical behaviour and values expected of the Directors and the employees and serves as a guide and reference in the course of the performance of their responsibilities.</p> <p>The Board has implemented appropriate processes and systems to support, promote and ensure its compliance. The Board through the Nominating Committee and Remuneration Committee will periodically review the Code which is available on the Company's Website.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

The 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 adopted a Whistle Blowing Policy which is available on the Company’s Website, sets out the disclosure procedures and protection for whistle blowers to meet the Group’s ethical obligations. The employees and the stakeholders are encouraged to raise any serious concerns they suspected as misconduct or malpractices without fear of victimisation in a responsible manner rather than avoiding or overlooking them.</p> <p>All whistle-blowing reports are addressed to the Audit Committee Chairman. This policy is administered by the Audit Committee with the assistance of the Management and overseen by Board.</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 4.1**

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>One of the principal responsibilities of the Board is to review and adopt strategic plan for the Group to ensure that the Board supports long-term value creation and take into account economic, environmental, social as well as governance considerations underpinning sustainability. In this respect, the Executive Directors, through the management meeting, assists the Board in overseeing the formulation, implementation and effective management of the Group's sustainability strategies.</p> <p>To facilitate the sustainability management, our Board also delegates the authority to Operation Risk Management Committee ("ORMC") to review the adequacy and effectiveness of the risk management process from time to time. Executive Directors also assist to identify and assess the risks as well as to ensure that the risk management process is adequate and effective. All policies and procedures formulated to identify, measure and monitor various risk components are reviewed by the ORMC. Additionally, the ORMC reviews and assesses the adequacy of the risk management policies and ensures that the infrastructure, resources and systems are in-place for implementing the company strategies, business plans, major plans of action and risk management.</p> <p>Accordingly, the Board together with our management accountable for ensuring that sustainability measures are integrated into the strategic direction of the Group and its operations. To achieve this, the Board continuously ensures that there is an effective governance framework for sustainability practices within the Group.</p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

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

### Practice 4.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>We always engage with our stakeholders actively throughout the financial year as part of our sustainability assessment process. Engagement with stakeholders allows us to gain more complete understanding on our materiality issues and matters. Whilst, we are also able to capture the key aspects and impacts of our sustainability journey.</p> <p>Our stakeholders' engagements are set out in Sustainability Report on pages 23 to 68 of the Annual Report 2025. In line with the enhanced Sustainability Reporting Guide 3rd Edition, the performance data table summarises indicators that are pertinent against our Material Matters. This information, available from the ESG Reporting Platform, is also disclosed in the Sustainability Report.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board incorporates sustainability discussions into its business planning and strategies and participate in professional development programmes or activities to improve on its skills set and knowledge on sustainability, to enable it to better tackle and deliberate on sustainability matters in a more effective and efficient manner.  All the Directors have attended the Mandatory Accreditation Programme Part II: Leading for Impact (LIP) (Building High-Impact Boards for Sustainable Growth) in related to sustainability.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.4**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board, through its NC, conducts an annual performance evaluation to assess which it aims to gauge how effectively the Board integrates sustainability principles and practices into the strategic decision-making process.</p> <p>This detailed assessment is facilitated internally to stay aligned with the changing business environment and sustain the Group's growth.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.5- Step Up**

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

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

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

### Intended Outcome

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

### Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The role of the Nominating Committee is to assist the Board in ensuring the Board comprises individuals with the requisite skills, knowledge and experience. The Nominating Committee leads in the process of identifying and recommending suitable candidates for directorship to the Board and Board Committees.</p> <p>The Nominating Committee conducts an annual review of the structure, size and composition of the Board, including the balance mix of skills, knowledge, experience and the independence of the Non-Executive Directors and also an assessment of the performance of the Board, Committees and individual of Directors.</p> <p>The Nominating Committee shall consider the prospective Director's character, experience, skills, expertise, core competencies, integrity and time commitment, number of directorships and external obligations.</p> <p>The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. If upon completion of nine (9) years, the Independent Director shall resign from the Board.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.2**

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board currently has eight (8) members, comprising three (3) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and four (4) Executive Directors.</p> <p>The Board views the number of its Independent Directors as adequate at present to provide the necessary check and balance to the Board's decision-making process.</p> <p>The Independent Non-Executive Directors have fulfilled their role as Independent Directors through objective participation in Board deliberations and the exercise of unbiased and independent judgement.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.3

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Clause 2.1 (g) of the Company’s Board Charter stipulated that the tenure of an independent non-executive director shall not exceed a cumulative term of nine years. The approval of the shareholders shall be obtained if the Board has a strong justification that the independent director should continue as an independent director or to be redesigned as a non-independent director.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

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

**Practice 5.4 - 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.*

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

### Intended Outcome

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

### Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognise that Board diversity optimises decision-making process and will conscientiously improve on its current diversity.</p> <p>In evaluating the suitability of the candidates for appointment to the Board and as Senior Management, the Board and the Nominating Committee will consider salient attributes such as mix of skills and experience, strengths, expected contribution, independence (where applicable) and the multiple facets of diversity to ensure a balanced mix of talents on the Board and Management level.</p> <p>The Nominating Committee is mindful of the Board's support for Boardroom diversity, particularly, in terms of ethnicity and gender. These factors will be given prime consideration in the recruitment of new Board members.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

**Practice 5.6**

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Lay Hong practices formal and transparent procedures on sourcing and appointment of new directors, either via internal nominations or independent sources.  All appointments of new directors are subject to screening and appropriate recommendation by the Nominating Committee prior to consideration and approval of the Board.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.7

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The profiles of the Directors, including their professional qualifications and work experiences are set out on pages 14 to 18 of the Annual Report 2025 for the shareholders' purview.</p> <p>The Board's statement of support on the appointment or reappointment of the Directors is set out in the explanatory note of the notice of AGM.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

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

**Practice 5.8**

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Nominating Committee is currently chaired by Mr. Tan Chee Hau (“<b>Mr. Tan</b>”), who is an Independent Director.</p> <p>Mr. Tan had also led the annual review of board effectiveness for the financial year 2025 whereby the independent assessment of the performance of each individual Director as well as of the Board as a whole are carried out amongst all the Board Members.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	On 31 May 2023, the Board appointed a female director, Madam Tham Wei Mei as Independent Non-Executive Director.	
		The Board acknowledges the importance of boardroom diversity and workforce gender diversity policy.	
		The Board will consider the appointment of female director when a right candidate is identified.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.10**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board has its Gender Diversity Policy has been established and published on the Company’s website <a href="http://www.layhong.com.my">www.layhong.com.my</a> .	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Nominating Committee reviews annually the required mix of skills and experience of the Board, including core competencies which non-executive Directors should bring to the Board and assesses the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director.</p> <p>The evaluation process is led by the Chairman of the Nominating Committee and supported by the Company Secretaries annually. The Directors complete the relevant questionnaires regarding the effectiveness of the Board and its Board committees. The assessment by all Directors are summarised and disclosed at the NC's meeting and reported at a Board meeting by the Chairman of the NC.</p> <p>For the financial year 2025, the Nominating Committee has reviewed and assessed the mix of skills and experience of the Board including the core competencies of both Executive and Non-Executive Directors, size of the Board, contribution of each Director and effectiveness of the Board and Board Committees and also evaluated the level of independence of the Directors. Based on the assessment, the Nominating Committee was satisfied with the existing Board composition in terms of gender, ethnicity and age, and was of the view that all the Directors and Board Committees of the Company have discharged their responsibilities in a commendable manner and have performed competently and effectively.</p>
<b>Explanation for departure</b>	:  

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

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

### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has put in place remuneration policy and procedures which are premised on the need for the remuneration practices of the Company to be competitive, thereby enabling the Company to attract and retain high-calibre directors and senior management.</p> <p>The component remuneration package of the Executive Directors and the Management has been structured to link rewards to corporate and individual performance while the remuneration package of the Non-Executive Directors reflects the experience and level of responsibilities undertaken by individual Non-Executive Directors.</p> <p>The Directors' fees and benefits, which have been reviewed by the RC, are recommended by the Board to the shareholders for approval at the forthcoming AGM.</p> <p>The Remuneration Policy will be reviewed periodically and is available on the Company's Website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board had established Remuneration Committee chaired by Mr. Tan Chee Hau. The Composition of the Remuneration Committee are as follows:</p> <p><u>Chairman</u> Tan Chee Hau Independent Non-Executive Director</p> <p><u>Members</u> Wong Soo Thiam Independent Non-Executive Director</p> <p>Tham Wei Mei Independent Non-Executive Director</p> <p>The primary responsibilities of the Remuneration Committee are set out in detail in the Company's Remuneration Policy which can be viewed in the Company's Website at <a href="http://www.layhong.com.my">www.layhong.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 8.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	In line with corporate governance best practice, the disclosure of the Directors' remuneration on a named basis for the financial year ended 31 March 2025 (" <b>FYE 31 March 2025</b> ") is set out in the Corporate Governance Overview Report.

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	YAP HOONG CHAI	Executive Director	44	0	1,037	2,018	16	589	3,704	44	0	1,037	2,018	16	589	3,704
2	YEAP WENG HONG	Executive Director	40	0	591	795	24	272	1,722	40	0	591	795	24	272	1,722
3	YAP CHOR HOW	Executive Director	40	0	864	1,432	0	445	2,781	40	0	864	1,432	0	445	2,781
4	NG KIM TIAN	Executive Director	40	0	636	818	0	283	1,777	40	0	636	818	0	283	1,777
5	TAN CHEE HAU	Independent Non-Executive Director	40	0	0	0	0	0	40	40	0	0	0	0	0	40
6	WONG SOO THIAM	Independent Non-Executive Director	43	0	0	0	0	0	43	43	0	0	0	0	0	43
7	THAM WEI MEI	Independent Non-Executive Director	33	0	0	0	0	0	33	33	0	0	0	0	0	33
8	YEAP FOCK HOONG	Non-Independent Non-Executive Director	40	0	0	0	0	0	40	40	0	0	0	0	0	40

### 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 four senior management's remuneration component including salary, bonus, benefits in kind and other emoluments in bands of RM50,000.

<b>Application</b>	:	Applied – the company discloses the remuneration of members senior management who are not members of the board	
<b>Explanation on application of the practice</b>	:	The remuneration for the top five Senior Management in bands of RM50,000 during the FYE 31 March 2025 are as follows:  Range of Remuneration Top 5 Senior Management  RM250,001 – RM300,000 – Kuan Yik Vern & Ong Yong Thye RM300,001 – RM350,000 – Bong Kim Fui RM450,000 – RM500,000 – Wong Yen Tien RM950,001 – RM1,000,000 – Yap Chor Wen	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1								
2		Not Applicable						
3								
4								
5								

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1								
2		Not Applicable						
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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Currently the Chairman of the Audit Committee and the Chairman of the Board are held by two different individuals. The Chairman of the Board is Dato' Yap Hoong Chai, while the Chairman of Audit Committee is Mr. Wong Soo Thiam.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Lay Hong has always recognised the need to uphold independence.</p> <p>No former partner of the external audit firm of Lay Hong will be appointed as a member of the Audit Committee which required the cooling-off period of three (3) years.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.3**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee carried out an assessment of the performance and suitability of Messrs Tai, Yapp &amp; Co PLT ("TYC") based on the quality of services, sufficiency of resources, adequate resources and trained professional staff assigned to the audit.</p> <p>The Audit Committee has been generally satisfied with the independence, performance and suitability of TYC based on the assessment and are recommending to the Board and shareholders for approval for the re-appointment of TYC as External Auditors for the financial year ending 31 March 2026.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Audit Committee consists of three (3) members, of which all are Independent Non-Executive Directors. None of them are alternate Directors.

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.5

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Audit Committee possesses the right mix of skills to discharge its duties effectively.	
		The Audit Committee is chaired by Mr. Wong Soo Thiam (“Mr. Wong”), who is a Chartered Accountant of the Malaysian Institute of Accountants and Member of the Malaysian Institute of Certified Public Accountants.	
		Mr. Wong possesses sufficient financial knowledge to provide satisfactory input on financial matters.	
		The Audit Committee who is financially literate and provide diverse perspectives that strengthen the quality of deliberations.	
		The members of Audit Committee receive ongoing training and development as detailed in the Corporate Governance Overview report of the 2025 Annual Report.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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

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

### Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	The context within which the Group manages risks and the key focus of accountability for this as well as the key processes that have been established in reviewing the adequacy and effectiveness of the internal control system are set out in the Risk Management and Internal Control Statement included in the 2025 Annual Report.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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

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

### Practice 10.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Our Board is responsible for the adequacy and effectiveness of our Group's risk management and internal control systems. Our Board ensures that the systems manage the Group's key areas of risk within an acceptable risk profile to increase the likelihood that our Group's policies and business objectives will be achieved. Due to the inherent limitations in any risk management and internal control system, our Board continually reviews the system to ensure that the risk management and internal control systems provide a reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.  Further details on the features of the Company's risk management and internal control are set out in the Risk Management and Internal Control Statement included in the 2025 Annual Report.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

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

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

### Intended Outcome

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

### Practice 11.1

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee knows an independent and adequately resourced internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness of the systems of internal control.</p> <p>The internal audit function was outsourced to Moore Risk Consulting Sdn. Bhd. ("<b>Moore</b>") for the Company and its subsidiaries.</p> <p>The internal auditor reports directly to the Audit Committee by presenting its Internal Audit Report during the Audit Committee meeting, whereby relevant issues identified in the Internal Audit Reports will be discussed with the Management in the meeting. Rectification work, if necessary, will be performed and follow-up will be carried out by internal auditors for the purpose of reporting at the subsequent Audit Committee meeting.</p> <p>During the financial year, the internal audit reports which focus on the following internal audit review were presented to the Audit Committee:</p> <ul style="list-style-type: none"><li>(i) Food Manufacturing Operation Internal Control Review - Nutriplus Food Manufacturing Sdn. Bhd.</li><li>(ii) Broiler Farm Operation Internal Control Review - STF Agriculture Sdn. Bhd.</li><li>(iii) Layer and Distribution Centre Operation Review - Jeram 5</li></ul>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

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

### Practice 11.2

The board should disclose—

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence.  The function is headed by a qualified accountant.  The internal audit work was carried out according to the code of ethics and guidelines set by the company.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 12.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board is committed to ensure that the Company continues to engage effectively with its shareholders to facilitate a mutual understanding of objectives. The Group has a number of formal channels in place to effectively communicate this information to all the shareholders and stakeholders. The Board primarily achieve this through the following activities; the annual report, announcements to Bursa Malaysia Securities Berhad, quarterly reports, Group’s website and investor relations.</p> <p>The Group also maintains a website which shareholders and other stakeholders can gain access to information about the Group, activities and/or any announcements made by the Group. This can all be located at the Company’s Website.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 12.2**

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Company is not a Large Company under MCCG.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 40th Annual General Meeting (“<b>AGM</b>”) of Lay Hong held on a fully virtual basis on 27 September 2024. The notice of at least 28 days prior to the date of the AGM, allows sufficient time for the shareholders to consider the proposed resolutions to be tabled at the AGM.</p> <p>In addition, the notice of Lay Hong’s AGM also included details and relevant explanatory notes to the resolutions proposed to enable the shareholders to make informed decisions in exercising their voting rights.</p> <p>Lay Hong’s 2024 Annual Report together with the Notice of the 40th AGM dated 31 July 2024 were available on Company’s Website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 13.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	All Directors, including members of Remuneration Committee, Nominating Committee and Audit Committee, attended and participated at Lay Hong’s AGM in 2024. The presence of all Directors gave opportunities for the shareholders to engage with the Directors and also allowed the shareholders to raise questions and concerns directly to the Directors.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 13.3**

Listed companies should leverage technology to facilitate—

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolutions at its AGM held on 27 September 2024.</p> <p>The entire AGM proceedings were held through online meeting platform of Securities Services e-Portal at <a href="https://sshsb.net.my/">https://sshsb.net.my/</a> provided by SS E Solutions Sdn. Bhd. in Malaysia.</p> <p>The Administrative Notes of the AGM were published in the Company's Website and shared with the shareholders.</p> <p>The online meeting platform provides the option for the shareholders to participate and cast their votes virtually at the general meeting without the need to appoint a proxy.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 40th AGM of Lay Hong was a virtual meeting. The Company had issued an Administrative Notes which encompassed the guidance on the conduct of the virtual AGM on 27 September 2024.</p> <p>The shareholders were allowed to submit their questions electronically to <a href="mailto:eservices@sshhsb.com.my">eservices@sshhsb.com.my</a> prior to the AGM, or used the Q&amp;A platform to transmit the questions to the Board via RPV facilities during the live streaming of the AGM.</p> <p>The Chairman of the AGM had also informed the shareholders that they could submit their questions to the Board during the virtual AGM via RPV facilities and all the questions were addressed by the Directors.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 40th AGM was held on a fully virtual basis through live streaming and online remote voting by using RPV facilities.</p> <p>The shareholders were allowed to submit their questions at any time from the day of the Notice of AGM and up to the end of the Q&amp;A session.</p> <p>Questions posed by the shareholders had been presented to all participants during the AGM via RPV facilities.</p>
<b>Explanation for departure</b>	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	
	:	



**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Minutes of the general meeting was circulated to shareholders no later than 30 business days after the general meeting.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

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

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

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