

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of CYL Corporation Berhad (“CYL” or “the Company”) and its subsidiary (collectively referred to as the “Group” or “CYL Group”) acknowledges the importance of enhancement of corporate governance practices outlined in the Malaysian Code on Corporate Governance (“MCCG” or “the Code”). It is the Board’s responsibility and commitment to ensure that high standards of corporate governance are being practised in the Group, thereby safeguarding the assets of the Group and its shareholders’ investments. The Board believes that it has substantially applied the recommendations set out in the Code.

The Board is pleased to report an overview on the extent to which the Principles set out in the Code were applied throughout the financial year ended 31 January 2023 (“FYE

2023”) in this Corporate Governance (“CG”) Overview Statement. The application of the Practices set out in the Code throughout FYE 2023 is also disclosed to Bursa Malaysia Securities Berhad (“Bursa Securities”) in the CG Report which are available on the Company’s corporate website at www.cylcorporation.com.

The Board considers that the Company has applied all Practices under the MCCG with the exception of the following Practice:-

- Practice 1.4 (The Chairman of the Board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee);
- 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);

- 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);
- 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); and
- Practice 5.2 (At least half of the board comprises independent directors).

The explanation for the departures is disclosed in the CG Report.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

1. Roles and Responsibilities

The Board takes full responsibility for the overall direction and performance of the Group. The role of Management is to run the general business operations and activities and manage the Group’s financial matters in accordance with established delegated authority from the Board.

Matters reserved for Board deliberation and decision are broadly categorised as below:-

- Leadership and Strategy;
- Capital and Structure;
- Financial and Risk Management;
- Human Capital;
- Stakeholders; and
- Statutory, Regulatory and Administrative matters.

The Board assumes the following duties and responsibilities:-

- together with Senior Management, promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour;
- review, challenge and decide on Management’s proposals for the Company, and monitor its implementation by Management;
- ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- supervise and assess Management’s performance to determine whether the business is being properly managed;

- ensure there is a sound framework for internal controls and risk management;
- understand the principal risks of the Company’s business and recognise that business decisions involve the taking of appropriate risks;
- set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- ensure Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and Senior Management;
- ensure the Company has in place procedures to enable effective communication with stakeholders;

- ensure all Directors are able to understand financial statements and form a view on the information presented; and
- ensure the integrity of the Company's financial and non-financial reporting.

To facilitate the discharge of the Board's responsibility and oversight role, the Board is assisted by various Board Committees, namely the Audit Committee ("AC"), Nomination Committee ("NC") and Remuneration Committee ("RC"), which have been established with Terms of Reference setting out their duties and responsibilities. The Chairman of the respective Board Committees reports regularly to the Board on the outcome of the Board Committee meetings, updates the Board on significant issues and concerns discussed and makes the necessary recommendations to the Board.

The Board is collectively responsible for any decision taken by any Board Committee. A Board Committee may only perform the tasks delegated to it by the Board and should not exceed the authority conferred on it by the Board. Decisions which by law should be made by the Board shall not be delegated to a Board Committee.

2. Chairman and Managing Director

The positions of Chairman and Managing Director ("MD") are held by different individuals. The Chairman of the Board is a Non-Independent Non-Executive Director. There is a clear division of responsibilities between the Chairman and MD of the Company to ensure a balance of power and authority. The Chairman's responsibility is to ensure the effectiveness of the Board while the MD is responsible for overall operations and effective implementation of the Board's decisions and policies.

The responsibilities of the Chairman, amongst others, are as follows:-

- leading the Board in setting its values, ethical standards and good corporate governance practices in the Group;
- developing corporate strategies;
- attaining long-term growth objectives of the Group;
- leading Board discussions, encourage active participation and allowing dissenting views to be freely expressed;
- setting the agenda for Board Meetings with assistance of the Company Secretary and ensuring all relevant issues for the effective running of the Group's businesses are on the agenda;
- managing the interface between Board and Management;
- ensuring proper flow of information to the Board, reviewing adequacy and timing of documentary materials in support of Management's proposal and review of performance of the Company and/or Group;
- ensuring effective communication with shareholders and relevant stakeholders;
- ensuring compliance with all relevant regulations and legislations; and
- presiding over the Board and general meetings of the Company.

The responsibilities of the MD are as follows:-

- oversee the day-to-day operations of the Group and implement the strategies, plans, budgets and policies approved by the Board;
- develop and recommend to the Board the strategic business plans, annual operating plans and budgets that support the Group's short-term and long-term strategies in consultation with the Chairman;
- monitor the performance of the Group against the performance and sustainability targets and reporting to the Board;

- provide strong leadership to employees of the Group;
- act as a liaison between the Board and Management;
- drive strategic management of material sustainability matters;
- assess business opportunities which are of potential benefit to the Group;
- assess the principal risks of the Group and ensuring that these risks are being monitored and managed;
- communicate effectively with shareholders, employees, Government authorities, other stakeholders and the public;
- keep the Board fully informed of all important aspects of the Group's operations and bring material and other relevant matters to the attention of the Board in an accurate and timely manner;
- ensure effective internal controls and legal compliance and governance measures are deployed; and
- act within specific authorities delegated by the Board and ensure the limits of authority accorded by the Board are observed.

3. Qualified and Competent Company Secretaries

The Board is supported by qualified Company Secretaries. The Company Secretaries ensure that the Board's actions and policies are in compliance with the relevant regulatory requirements i.e. Main Market Listing Requirements ("MMLR") of Bursa Securities and companies legislation related to the Group. The Company Secretaries attend meetings of the Board and shareholders and ensure that the meeting proceedings are properly convened and recorded.

The Company Secretaries also serve notices to the Directors and Principal Officers on the closed periods for trading in CYL's shares pursuant to Chapter 14 of the MMLR of Bursa Securities.

Both Company Secretaries are qualified to act as secretaries under Section 235(2) of the Companies Act 2016. The Board is satisfied with the performance and support rendered by the Company Secretaries in assisting them to discharge their duties.

4. Access to Information and Independent Advice

All Directors have full unrestricted access to timely information pertaining to the Company. The agenda for every Board and Board Committees meeting, together with a set of Board and Board Committees papers are furnished to all Directors for their perusal prior to the Board and Board Committees meetings. This is to ensure sufficient time is given to enable the Directors to review and consider the agenda items to be deliberated at the Board and Board Committees meetings. The Board and Board Committees papers include, amongst others, quarterly financial reports, year-end financial statements of the Group and annual budget. The Board can at any time request for additional information pertaining to any agenda items to be deliberated prior to or post Board and Board Committees meeting. In most instances, the senior management are invited to be in attendance at Board meetings to provide insight and to furnish clarification on issues that may be raised by the Board.

The Directors, collectively or individually, have unrestricted access to the advice and services of the Company Secretaries, senior management and independent professional advisers including the External Auditors, at the Company's expense.

The Directors may exercise their right to obtain independent professional advice and information in accordance with the steps set out in the Board Charter.

5. Board Charter

The Charter provides guidance for Directors and Management regarding the responsibilities of the Board, its Board Committees and Management, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as boardroom activities.

The Board Charter shall be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's duties and responsibilities. The Board Charter is available for reference in the Company's corporate website at www.cylcorporation.com.

6. Formalised Ethical Standards through Code of Conduct, Whistleblowing Policy and Anti-Corruption and Bribery Policy

The Board is committed to creating an environment whereby ethics and professionalism are placed in the highest priority in line with good corporate governance practices. The Board shall observe and adhere to the Code of Conduct. The Board has also adopted Whistleblowing Policy and Anti-Corruption and Bribery Policy.

The Code of Conduct, Whistleblowing Policy and Anti-Corruption and Bribery Policy are available on the Company's corporate website at www.cylcorporation.com.

7. Composition of the Board

The Board consists of four (4) Executive Directors, three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.

The Directors' profiles are presented on pages 8 to 11 of the Annual Report 2023.

Following the resignation of Mr Ong Chong Chee on 30 November 2022, the Company had appointed a new Independent Director, Encik Abd Malik Bin A Rahman to the Board on 1 February 2023 to fill in the vacancy.

The Board carries out an annual assessment on the Directors and Board Committees. The Board, having taken into consideration the size of the Group, is of the view that the Directors, with their different background and specialisation, collectively bring with them a wide range of experience and expertise to enable the Board to lead and control the Group effectively. The Chairman is a Non-Independent Non-Executive Director and is not involved in the daily operations of the Company. As Chairman, he ensures proper balance of power and authority on the Board by encouraging robust discussions during meetings.

The Independent Non-Executive Directors also provide an element of objectivity, independent views, evaluations, check and balance on Board deliberations and decisions. This ensures that the interests of the Group, shareholders, employees, customers, suppliers and other business associates are safeguarded.

The Independent Non-Executive Directors are persons of high calibre, credibility and have the skills and experience to bring an independent judgement on issues of strategy, performance and resources including key appointments and standards of conduct. The Independent Non-Executive Directors constitute more than one-third of the membership of the Board.

8. Tenure of an Independent Director

The Board assesses the independence of the Independent Non-Executive Directors annually. The Independent Non-Executive Directors with their

varied backgrounds bring with them an external perspective, helping to develop and strengthen the Company's policies and procedure contributing to the strategy and goals of the Company by being objective and assessing the business direction in an unbiased perspective.

The Board has assessed the independence of the Independent Non-Executive Directors and is satisfied with the level of independence demonstrated.

In accordance with the Company's Board Charter, the tenure of an Independent Non-Executive Director should not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Non-Executive Director may continue to serve on the Board, subject to the director's re-designation as a Non-Independent Director.

The Board must provide justification and seek annual shareholders' approval in the event it intends to retain an Independent Non-Executive Director who has served in that capacity for more than nine (9) years, through a two-tier voting process – Tier 1: only the large shareholder(s) and Tier 2: shareholders other than large shareholders, in accordance with the MCGG.

The Company does not have any Independent Non-Executive Director who has served for a term exceeding nine (9) years.

The Board has through the NC, assessed Madam Tang Sook Kuen and Ms Gan Kok Ling and is satisfied that they are independent and free from any relationship or conflict of interest situation, which could impair their objectivity and independence and is not aware of any existing or potential conflict of interest between the Independent Non-Executive Directors and the Group. They have also fulfilled

the criteria under the definition of "Independent Director" stated in Paragraph 1.01 of the MMLR of Bursa Securities.

9. Boardroom Diversity

The Board has adopted the Boardroom Diversity Policy. The Board's policy is to consider candidates from various backgrounds, without discrimination to gender, age and ethnicity when deciding on appointments to the Board. An overriding principle is that all appointments to the Board will be based upon merit, experience, qualification, character, time commitment and integrity and contribution the candidates may bring to the Board.

Although the Company has not set any specific target for female directors on the Board, more than 30% of the Board is made up of female Directors. The Company has not set any specific target for age and ethnic diversity in the boardroom but will continue to review the composition of the Board with a view of having a well-balanced age diversity and multi-ethnicity representation on the Board.

The Boardroom Diversity Policy can be found at the Company's corporate website at www.cylcorporation.com.

10. Sourcing of Directors and Chairmanship of the NC

The NC is tasked by the Board to make independent recommendations for appointments to the Board. Appointment of Directors shall be based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

In making these recommendations, the NC shall assess the suitability of candidates, taking into account the character, integrity, competence, professionalism, time commitment

and other qualities of the candidates, before recommending their appointments to the Board for approval.

The Company Secretaries will ensure that all appointments are properly made, and that legal and regulatory requirements are complied with.

On 19 September 2022, the Board, based on the recommendation of the NC, appointed a new Executive Director, Mr Chen Teck Sun. He is also the Alternate Director of Mr Chen Yat Lee.

Prior to his appointment, the NC had reviewed the results of the fit and propriety assessment on him. The NC expressed confidence in Mr Chen Teck Sun's character, experience, integrity, competence and time to effectively discharge his role as an Executive Director of the Group. His extensive knowledge of the Group's operations and strategies have enabled the Group to pursue goals and objectives.

On 1 February 2023, the Board appointed a new Independent Non-Executive Director, Encik Abd Malik Bin A Rahman. He was a former Independent Non-Executive Director of the Company, from 16 September 2002 till 1 December 2018, who had resigned due to the restriction on the number of directorships allowed for his board seat in a financial institution.

Prior to his appointment on 1 February 2023, the NC had reviewed the results of the fit and propriety assessment on him as well as conducted an assessment on his independence. The NC found him to be independent in character and judgement. His familiarity with the Group's business structure was an added advantage.

Based on the recommendation of the NC, the Board agreed to the appointment of Encik Abd Malik Bin A Rahman as an Independent Non-

Executive Director and a member of the AC, NC and RC of the Company.

The NC was previously chaired by Madam Tang Sook Kuen but she was redesignated as a member of the NC on 30 March 2023. Ms Gan Kok Ling, who is an Independent Non-Executive Director, is the current Chairperson of the NC.

The Terms of Reference of NC is available for reference in the Company's corporate website at www.cylcorporation.com.

11. NC

The NC comprises three (3) members, all of whom are Independent Non-Executive Directors.

The composition of the NC is set out on page 6 of the Annual Report 2023.

The NC meets at least once a year. The attendance of the NC members during FYE 2023 is as follows:-

Name of NC Members	No. of meetings attended
Tang Sook Kuen (<i>Chairperson</i>) (<i>Redesignated from Chairperson to Member on 30 March 2023</i>)	5/5 (100%)
Gan Kok Ling (<i>Redesignated from Member to Chairperson on 30 March 2023</i>)	5/5 (100%)
Tan Sri Abu Talib Bin Othman (<i>Relinquished his membership on 30 March 2023</i>)	3/5 (60%)
Ong Chong Chee (<i>Resigned on 30 November 2022</i>)	4/4 (100%)

12. Board Assessment

The NC evaluates the performance of the Board members on an annual basis. The Board committees are also reviewed annually by the NC for their performance and effectiveness.

The annual exercise involves Directors completing questionnaires covering the assessment of the Board and Board Committee's performance, assessment

of individual Directors (self and peer evaluation), assessment on mix of skill, experience and size of the Board and assessment on independence amongst others.

The Directors' responses are then collated by the Company Secretaries and a summary of the findings would be submitted to the NC for deliberation. The NC would review the summary, assess and make recommendations to the Board.

The Board, upon the assessment and recommendation made by the NC, is satisfied and believed that the individual Directors appointed to the Board are of high calibre, integrity and experienced and can be entrusted to discharge their duties and responsibilities effectively.

13. Summary of Activities undertaken by the NC

The following activities were undertaken by the NC for FYE 2023:-

a) reviewed and assessed the tenure of Directors, mix of skills, experience, size and other qualities, including core competencies and effectiveness of the Board and Board Committees as a whole as well as the contribution from each of the individual Director of the Company. The evaluation process included a self and peer review assessment;

b) assessed the independence of the Independent Non-Executive Directors based on the criteria set out in the MMLR of Bursa Securities;

c) reviewed and recommended to the Board on the re-election of Directors based on the assessment conducted;

d) reviewed and recommended to the Board, the Directors' Fit and Proper Policy;

e) considered (after having carried out the fit and proper assessment in accordance with the Directors' Fit and Proper Policy) and recommended to the Board, the appointment of Mr Chen Teck Sun as an Executive Director; and

f) considered (after having carried out the fit and proper assessment in accordance with the Directors' Fit and Proper Policy) and recommended to the Board, the appointment of Encik Abd Malik Bin A Rahman as an Independent Non-Executive Director and member of AC, NC and RC.

14. Re-election of Directors

In accordance with the Constitution of the Company ("Constitution"), all Directors who are appointed by the Board shall retire from office and are subject to election by shareholders at the Company's next Annual General Meeting ("AGM") after their appointment.

The Constitution also provides that one-third (1/3rd) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3rd), shall retire from office at the conclusion of the AGM in every year provided always that all Directors shall retire from office once at least in each three (3) years. A retiring Director shall retain

office until the close of the meeting at which he/she retires and shall be eligible for re-election.

This provides an opportunity for shareholders to renew their mandates. The election of each Director is voted on separately.

The NC had carried out the fit and proper assessment of the following Directors who are retiring pursuant to Clause 76(3) of the Constitution and subject to re-election at the Twenty-Third AGM, and the Board was satisfied with the evaluation of their performance and contributions including their fitness and propriety:-

- a. Tan Sri Abu Talib Bin Othman; and
- b. Mr Chen Teck Shin.

Mr Chen Teck Sun, who was appointed as the Executive Director of the Company on 19 September 2022 and Encik Abd Malik Bin A Rahman, who was appointed as the Independent Non-Executive Director of the Company on 1 February 2023, will be subject to retirement pursuant to Clause 78 of the Constitution. The NC had also carried out the fit and proper assessment of both Mr Chen Teck Sun and Encik Abd Malik Bin A Rahman before recommending the Board to table the resolution on their re-election at the Twenty-Third AGM.

15. Time Commitment of the Directors

The Company expects the Directors to give their time commitment in carrying out their duties and responsibilities as a Director. This includes at least 50% attendance at the Board meetings held in each financial year. Directors are also required to attend regular meetings of any Board Committees of which they are a member of. In addition, they would be expected to devote appropriate preparation time ahead of each meeting.

The Board held six (6) meetings during the financial year to discuss the performance of the Group.

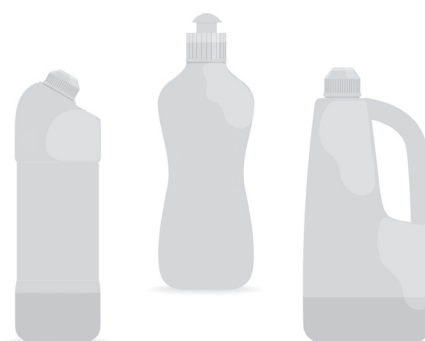
The agenda of each Board meeting is circulated to all the Directors in advance for their perusal and understanding. Before the beginning of each calendar year, an annual meeting calendar is prepared and circulated to Directors for their forward planning. The attendance of the Board members during FYE 2023 is as follows:-

Name of Directors	No. of Board meetings attended during the financial year
Tan Sri Abu Talib Bin Othman (Chairman)	4/6 (67%)
Chen Yat Lee	6/6 (100%)
Chen Teck Shin	5/6 (83%)
Chen Wai Ling	6/6 (100%)
Chen Teck Sun (Appointed as the Executive Director on 19 September 2022) (Also the Alternate Director to Chen Yat Lee)	1/1 (100%)
Tang Sook Kuen	6/6 (100%)
Gan Kok Ling	6/6 (100%)
Ong Chong Chee (Resigned on 30 November 2022)	5/5 (100%)

To fulfil their roles and responsibilities, each Director holds no more than five (5) directorships in listed corporations in accordance with Paragraph 15.06 of the MMLR of Bursa Securities. All Directors of the Company currently adhere to this requirement. The Directors are also required to notify the Board's Chairman when accepting new directorships in other companies. Such notification is expected to include an indication of time that will be spent on the new appointment.

16. Continuing Education and Training of Directors

The Board constantly reminds and encourages its Directors to attend training programmes, seminar, courses and conferences to enhance their skills and knowledge to enable them to discharge their fiduciary duties to the Company. All Directors have completed the Mandatory Accreditation Programme required by Bursa Securities.



The training programmes/ seminars/ courses/ conferences attended by the Directors during FYE 2023 are as below:-

Directors	List of Training Programmes/ Seminars/ Courses/ Conferences Attended	Date(s) of Attendance
Tan Sri Abu Talib Bin Othman	<ul style="list-style-type: none"> Board Cybersecurity Awareness Program AML A E-Training Board Cybersecurity Awareness Program 	10 February 2022 22 July 2022 16 November 2022
Chen Yat Lee	<ul style="list-style-type: none"> Sustainability Management and Reporting - What this entails and how the Board and Management go about managing and reporting sustainability practices 	3 October 2022
Chen Teck Shin	<ul style="list-style-type: none"> Sustainability Management and Reporting - What this entails and how the Board and Management go about managing and reporting sustainability practices BOSS.NET Training EA and BIK Seminar 2022 	3 October 2022 4 January 2023
Chen Wai Ling	<ul style="list-style-type: none"> Sustainability Management and Reporting - What this entails and how the Board and Management go about managing and reporting sustainability practices BOSS.NET Productive Refresher BOSS.NET EA and BIK Virtual Training 	3 October 2022 16 December 2022 6 January 2023
Chen Teck Sun	<ul style="list-style-type: none"> Assessing Your Organizational Culture Sustainability and its Impact on Organisations 	22 June 2022 6 July 2022
Tang Sook Kuen	<ul style="list-style-type: none"> Sustainability Management and Reporting - What this entails and how the Board and Management go about managing and reporting sustainability practices Audit Oversight Board Conversation with Audit Committees 	3 October 2022 17 November 2022
Gan Kok Ling	<ul style="list-style-type: none"> Mandatory Accreditation Programme Sustainability Management and Reporting - What this entails and how the Board and Management go about managing and reporting sustainability practices Anti-Bribery Training/Communication for Board Members Amendment to the MMLR and Board's role on Sustainability Reporting 	23-25 May 2022 3 October 2022 30 November 2022 13 January 2023

The Directors are also briefed by the Company Secretaries, Internal Auditors and External Auditors on updates or changes to the relevant guidelines on the regulatory and statutory requirements at Board meetings and AC meetings.

17. Remuneration Policy and Remuneration of Directors and Senior Management

The Company has established the RC on 24 December 2003. The RC was set up to assist the Board in assessing the remuneration packages of the Executive Directors and Non-Executive Directors of the Company.

The RC comprises three (3) members, all of whom are Independent Non-Executive Directors.

The composition of the RC is set out on page 6 of the Annual Report 2023.

The RC meets at least once a year. The attendance of the RC members during FYE 2023 is as follows:-

Name of RC Members	No. of meetings attended
Tan Sri Abu Talib Bin Othman (<i>Chairman</i>) (<i>Relinquished his membership on 30 March 2023</i>)	2/4 (50%)
Tang Sook Kuen (<i>Redesignated from Member to Chairperson on 30 March 2023</i>)	4/4 (100%)
Gan Kok Ling	4/4 (100%)
Ong Chong Chee (<i>Resigned on 30 November 2022</i>)	3/3 (100%)

The MCGG states that remuneration for Directors and Senior Management should be determined so as to ensure that the Company attracts, retains and motivates the right talent in the Board and Senior Management to run the Company efficiently. The remuneration for MD and Executive Directors are

structured so as to link reward to corporate and individual performance.

In the case of Non-Executive Directors, the Board believes that the level of remuneration should reflect the level of experience and responsibilities undertaken by the respective Directors.

The Board has formally established and adopted the Remuneration Policy for Directors and Senior Management. The Remuneration Policy can be accessed on the Company's corporate website at www.cylcorporation.com.

The details of remuneration of Directors of the Company for FYE 2023 are as follows:-

(in RM)						
	Fees	Salary and allowances	Bonus	EPF	Benefits-in-kind	Total
Company						
Chen Yat Lee	-	-	-	-	-	-
Chen Teck Shin	-	-	-	-	-	-
Chen Wai Ling	-	-	-	-	-	-
Chen Teck Sun (also the Alternate Director to Chen Yat Lee)	-	-	-	-	-	-
Tan Sri Abu Talib Bin Othman	-	3,000	-	-	-	3,000
Gan Kok Ling	48,000	4,000	-	-	-	52,000
Tang Sook Kuen	48,000	4,000	-	-	-	52,000
Ong Chong Chee (Resigned on 30 November 2022)	40,000	3,500	-	-	-	43,500
Total	136,000	14,500	-	-	-	150,500
Group						
Chen Yat Lee	-	543,721	-	65,256	-	608,977
Chen Teck Shin	-	336,000	-	40,320	-	376,320
Chen Wai Ling	-	288,000	-	34,560	-	322,560
Chen Teck Sun (Alternate Director to Chen Yat Lee)	-	384,000	-	46,080	-	430,080
Tan Sri Abu Talib Bin Othman	168,000	3,000	-	-	-	171,000
Gan Kok Ling	48,000	4,000	-	-	-	52,000
Tang Sook Kuen	48,000	4,000	-	-	-	52,000
Ong Chong Chee (Resigned on 30 November 2022)	40,000	3,500	-	-	-	43,500
Total	304,000	1,566,221	-	186,216	-	2,056,437

The Key Senior Management of CYL Corporation Berhad comprises the MD, Mr Chen Yat Lee, the Executive Directors, Mr Chen Teck Shin, Ms Chen Wai Ling and Mr Chen Teck Sun, who is also the alternate Director to Mr Chen Yat Lee. The details of their remuneration can be found in the details of the remuneration of Directors.

18. Summary of activities undertaken by the RC

The following activities were undertaken by the RC for FYE 2023:-

- (a) reviewed and recommended to the Board, the remuneration packages for the MD and Executive Director; and

(b) reviewed and recommended to the Board, the fees and benefits for the Non-Executive Directors of the Group.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

1. AC

The Chairman of the AC is an Independent Director and he is not the Chairman of the Board.

All members of the AC are Independent Non-Executive Directors.

The AC Report is set out on pages 29 to 31 of the Annual Report 2023.

2. Oversight of External Auditors by the AC

The Company has established and maintained an appropriate and transparent relationship with the Company's External Auditors, Mazars PLT, in seeking professional advice and ensuring compliance with the accounting standards in Malaysia. The AC met the External Auditors twice during the financial year without the presence of the Executive Directors and executive team. The practice of periodically rotating the audit engagement partner, engagement quality control review partner and key audit partners ensures an independent relationship between the Company and the External Auditors. Apart from that, during the audit planning stage, independence is further enhanced with the External Auditors providing a summary of their internal policy and important safeguards and procedures to address threats to the independence and objectivity of the audit.

The AC assesses the level of service provided by the External Auditors, taking into account the following criteria, amongst others:

- quality and rigour of their audit;
- quality of service provided;
- internal quality control procedures;
- effectiveness and timeliness of their communication and report to the Board and/or the AC;
- independence (both in fact and appearance) and objectivity; and
- appropriateness of the proposed fees to support a quality audit.

Mazars PLT has declared to the AC that they are independent from the Group and in compliance with the independence requirements set out in the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and Code of Conduct for Objectivity and Independence of Mazars PLT.

On 30 March 2023, the AC conducted an annual assessment on the External Auditors. The AC, having assessed the independence of Mazars PLT as well as reviewed the level of non-audit services rendered by them for FYE 2023, was satisfied with their suitability, objectivity and independence. The Board, based on the AC's recommendation, will be tabling their re-appointment for shareholders' approval at the Twenty-Third AGM.

3. Financial literacy of the AC

The Board relies upon the AC to, amongst others, provide advice in the areas of financial reporting, external audit, internal control environment and provide oversight on the risk management framework of the Group.

Directors including the AC members continue to undergo training

periodically during the financial year, based on individual learning requirements as well as financial and corporate developments.

4. Risk Management and Internal Control Framework

The Board acknowledges its overall responsibility for maintaining a system of internal controls, which provides reasonable assurance of effective and efficient operations and compliance with laws and regulations as well as with internal financial administration procedures and guidelines.

The Group's Statement on Risk Management and Internal Control is set out on pages 32 to 33 of the Annual Report 2023.

The Board acknowledges the need to maintain a sound system of internal controls within the Group in order to safeguard shareholders' interest of the Group's assets. The internal audit activities of the Group are carried out according to an annual internal audit plan approved by the AC.

The internal audit function is outsourced to an independent professional services firm namely Kloo Point Risk Management Services Sdn. Bhd. to assist the AC in assuming the task of internal control review and risk assessment functions of the Group. Areas for improvement were highlighted and the implementation of recommendations was monitored. The Internal Auditors report directly to the AC.

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

1. Communication with Stakeholders

The Board acknowledges the need for the shareholders to be informed on all material business matters affecting the Group. In addition to the various announcements made, the timely release of financial results on a quarterly basis provides shareholders and the investing public with an overview of the Group's performance and operations. The Board has adopted the Corporate Disclosure Policy which is made available for reference on the Company's corporate website at www.cylcorporation.com.

2. Leverage on Information Technology for Effective Dissemination of Information

Shareholders are invited to access the Company's corporate website at www.cylcorporation.com as well as Bursa Securities' corporate website at www.bursamalaysia.com to obtain the latest information of the Group. The relevant announcements such as quarterly financial results of the Company and dividend declared by the Company can be accessed via the Newsroom section of the corporate website.

3. Conduct of General Meetings

The Board encourages participation of shareholders at every general meeting of the Company and opportunity is given to the shareholders to make relevant enquiries and seek clarification on the Group's business activities and financial performance.

The Notice of the Twenty-Second AGM was issued more than one (1) month in advanced of the meeting. This would give shareholders more time to go through the Annual Report.

The Twenty-Second AGM held on 28 July 2022 was conducted physically at Ballroom 2, LG Level, Eastin Hotel, 13, Jalan 16/11, Pusat Dagang Seksyen 16, 46350 Petaling Jaya, Selangor Darul Ehsan. All Directors were present to engage directly with shareholders and be accountable for their stewardship of the Company. The Chairman invited the members, corporate representatives and proxies who were present to raise questions pertaining to the Company's Audited Financial Statements and proposed resolutions as set out in the Notice of the Twenty-Second AGM, before putting the resolutions to vote. The Senior Management and External Auditors were also present to respond to queries from shareholders.

4. Encourage Poll Voting

Pursuant to Paragraph 8.29A of the MMLR of Bursa Securities, any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, must be voted by poll. At least one (1) independent scrutineer must be appointed to validate the votes cast at the general meeting.

At the Twenty-Second AGM held on 28 July 2022, all resolutions set out in the Notice were voted by way of poll. Shareholders attended and voted physically at the Twenty-Second AGM of the Company. The Company would be conducting the voting by poll on all resolutions tabled at the Twenty-Third AGM which will be held on 20 July 2023. An independent scrutineer will be appointed to validate the votes cast at the AGM.

5. Effective Communication and Proactive Management

In maintaining the commitment to effective communication with shareholders, the Group adopts the practice of comprehensive, timely and continuing disclosures of information to its shareholders as well as to the general investing public. The practice of disclosure of information is not just established to comply with the requirements of the MMLR of Bursa Securities pertaining to continuing disclosures, it also adopts the best practices as recommended in the MCCG with regard to strengthening engagement and communication with shareholders. Where possible and applicable, the Group also provides additional disclosure of information on a voluntary basis.

The Annual Report is the main channel of communication between the Company and its shareholders. The Annual Report communicates comprehensive information of the financial results and activities undertaken by the Group. As a listed issuer, the contents and disclosure requirements of the Annual Report are also governed by the MMLR of Bursa Securities.

Another key avenue of communication with its shareholders is the Company's AGM, which provides a useful forum for shareholders to engage directly with the Directors.

6. Compliance and Applicable Financial Reporting Standards

The Board aims to provide and present a true and fair view of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements

and quarterly announcements of results to the shareholders as well as the Chairman's statement in the Annual Report. The Board is assisted by the AC to oversee the Group's financial reporting processes and the quality of its financial reporting.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgements and estimates. The

financial statements are prepared in compliance with Malaysian Financial Reporting Standards and disclosure requirements of the MMLR of Bursa Securities. The Directors also have a general responsibility for taking such steps to safeguard the assets of the Group and to prevent and detect fraud and irregularities. The Board deliberated on the quarterly financial results through the analysis of income and expenditures against budget, previous quarter and previous year's corresponding quarter.

OTHER COMPLIANCE INFORMATION

(Pursuant to Paragraph 9.25(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

MATERIAL CONTRACTS

There were no material contracts of the Company and its subsidiary company involving the interest of Directors and/or substantial shareholders entered into since the end of the financial year.

UTILISATION OF PROCEEDS

The Company did not raise funds through any corporate proposals during the financial year.

RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF A REVENUE OR TRADING NATURE

The Company did not seek any shareholders' mandate in respect of RRPT of a revenue or trading nature.

AUDIT AND NON-AUDIT FEE

The audit and non-audit fees paid or payable by the Company and the Group to the External Auditors and their affiliated companies for the financial year ended 31 January 2023 are set out as below:-

Fee	Company (in RM)	Group (in RM)
Audit	36,000	95,000
Non-audit	5,000	5,000