



YBS INTERNATIONAL BERHAD
(Registration No: 200201014380 (582043-K))



Yielding Brilliant Synergies

ANNUAL REPORT 2024

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Yielding Brilliant Synergies

Painting a technological advanced world enhanced by the use of forward-looking technologies such as telecommunications solutions and precision motion components for electric vehicles (EVs), the proposed visual encapsulates the microcosm of an optimized society, thanks to YBS International Berhad's strong spectrum of solutions.

Complemented by futuristic buildings in the background, the seamless blend of the workforce expresses the unity of stakeholders in fulfilling the group's mission of impacting the world.

Through its capabilities in high-precision tools and components for high-end exacting applications, YBS International Berhad is truly realising the theme of "Yielding Brilliant Synergies", harnessing the synergy between humans and technology, to unlock further growth and unprecedented advancements that help to transform and improve human lives.

MISSION STATEMENT

VISION

To be a preferred partner for high quality and innovative products.

MISSION

To deliver excellent service and achieve customer satisfaction through continuous improvement and innovation.

VALUES



BOARD OF DIRECTORS

Dato' Dr. Mohd Sofi bin Osman

(Chairman/Independent Non-Executive Director)

Yong Chan Cheah

(Group Managing Director and Chief Executive Officer)

Yong Swee Chuan

(Group Executive Director and Chief Engineering Officer)

Poa Mei Ling

(Group Executive Director)

Low Hee Chung

(Independent Non-Executive Director)

Gor Siew Yeng

(Independent Non-Executive Director)

Dato' Jimmy Ong Chin Keng

(Independent Non-Executive Director)

Yong Li-Xiang

(Alternate Director to Yong Chan Cheah)

AUDIT, SUSTAINABILITY AND RISK COMMITTEE

Chairman

Low Hee Chung

Members

Gor Siew Yeng
Dato' Jimmy Ong Chin Keng

NOMINATING COMMITTEE

Chairman

Dato' Jimmy Ong Chin Keng

Members

Low Hee Chung
Gor Siew Yeng

REMUNERATION COMMITTEE

Chairman

Gor Siew Yeng

Members

Low Hee Chung
Dato' Jimmy Ong Chin Keng

COMPANY SECRETARY

Ong Tze-En
(MAICSA 7026537) /
(SSM PC No. 202008003397)

AUDITORS

Grant Thornton Malaysia PLT
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Chartered Accountants
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10050 George Town, Penang
Phone: +604-228 7828
Fax: +604-227 9828

REGISTRAR

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Phone: +603-2692 4271
Fax: +603-2732 5388
Email: mega-sharereg@megacorp.com.my

REGISTERED OFFICE

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Phone: +604-229 4390
Fax: +604-226 5860
Email: boardroom-kl@boardroomlimited.com

HEAD OFFICE

No. 978 (also known as PT830),
Lorong Perindustrian Bukit Minyak 20,
Taman Perindustrian Bukit Minyak,
14100 Simpang Ampat, Penang
Phone: +604-508 8623
Fax: +604-588 2623
Email: investorrelation@ybsinternational.com

WEBSITE ADDRESS

www.ybsinternational.com

PRINCIPAL BANKERS

Hong Leong Islamic Bank Berhad
Malayan Banking Berhad
Malaysian Industrial Development
Finance Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad

DATE OF LISTING

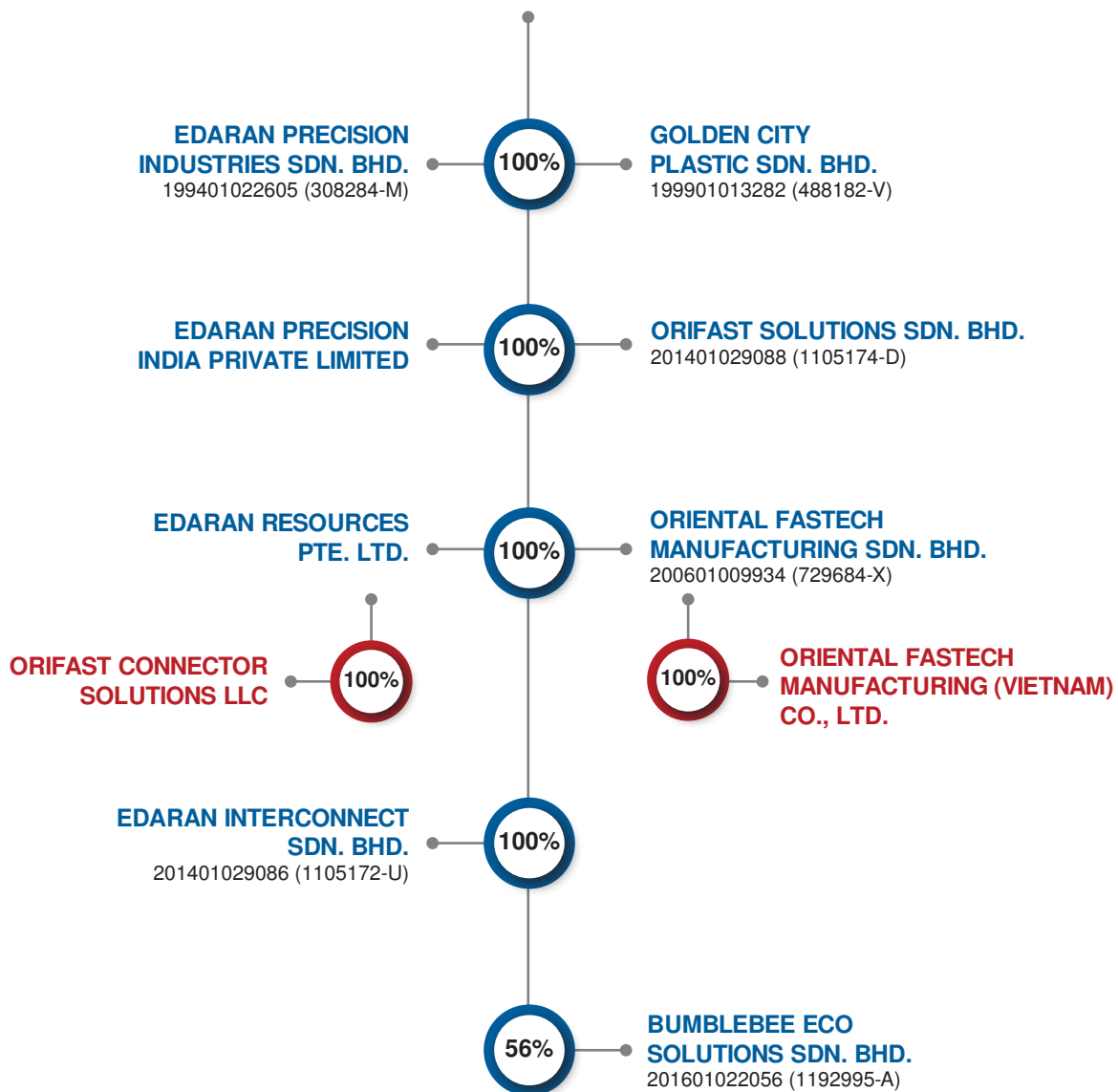
29 July 2003

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia
Securities Berhad
Stock Name: YBS
Stock Code: 0025



YBS INTERNATIONAL BERHAD
Registration No: 200201014380 (582043-K)



PROFILE OF DIRECTORS

DATO' DR. MOHD SOFI BIN OSMAN

Chairman/Independent Non-Executive Director

Aged 63 | **Gender** Male | **Nationality** Malaysian

Dato' Dr. Mohd Sofi Bin Osman is the Independent Non-Executive Chairman of YBS International Berhad ("YBS"). He was appointed to the Board of Directors of YBS ("Board") on 22 March 2023 and was subsequently appointed as a Chairman on 28 July 2023.

Dato' Dr. Mohd Sofi graduated from University of Strathclyde with a Bachelor of Science in Mechanical Engineering in 1986. In 2006, he graduated with a Doctor of Business Administration from American Heritage University and was conferred an honorary Doctor of Philosophy in Business Administration by Akamai University. In 2019, he was conferred the honorary Doctor of Engineering by University Malaysia Perlis (UniMAP). He was also conferred with honorary Doctor of Philosophy (Mechanical Engineering) by Tun Hussein Onn University of Malaysia (UTHM) in 2022.

Dato' Dr. Mohd Sofi began his career as an Engineer at Advanced Micro Devices Sdn. Bhd. ("AMD") in 1986 and advanced over the years with increasing responsibilities to assume the position of Managing Director of AMD for Penang operations and Corporate Vice President of the AMD Group prior to his leaving in 2011. In 2012, he joined Altera Corporation (M) Sdn. Bhd. ("Altera") as the Vice President of Operations. His last position held at Altera was as Managing Director and Vice President of Worldwide Operations and Engineering. He retired from Altera in 2016. In 2018, he joined Lumileds Malaysia Sdn. Bhd. as the Managing Director and Vice President for Penang operations, where he was responsible for its overall management and operations prior to his leaving in 2020.

Dato' Dr. Mohd Sofi is a Director of Oppstar Berhad since June 2022. He is the Chairman of Board Technical Review Committee and Adviser to Collaborative Research in Engineering, Science and Technology since 2016.

Dato' Dr. Mohd Sofi has no family relationship with any director and/or major shareholder of the Company nor does he have any conflict of interest with YBS Group. He has not been convicted of any offences, other than traffic offences (if applicable) within the past five (5) years and there is no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year. Dato' Dr. Mohd Sofi attended all six (6) board meetings held during the financial year.

YONG CHAN CHEAH

Group Managing Director and Chief Executive Officer

Aged 50 | **Gender** Male | **Nationality** Malaysian

Mr. Yong Chan Cheah is the Group Managing Director and Chief Executive Officer of YBS and its subsidiaries ("YBS Group"). He was first appointed as an Executive Director of the Company on 7 June 2013 and was promoted as the Group Managing Director on 27 February 2014. On 21 February 2024, he was redesignated as Group Managing Director and Chief Executive Officer. Mr. Yong graduated with Bachelor of Business Administration from University Utara Malaysia ("UUM") in 1998. He has over twenty (20) years of experience in marketing and sale of metal and plastics components. He began his career in 1998 in Pentagon Engineering Sdn. Bhd. as a Contract Administrator. He subsequently joined AE Technology Sdn. Bhd. as Sales Executive in 1999 and was promoted to Sales Manager in 2002. In 2006, he co-founded Oriental Fastech Manufacturing Sdn. Bhd. ("OFM") with Mr. Yong Swee Chuan and is directly involved in the growth and development of OFM and other related companies under YBS Group.

Mr. Yong is the brother of Mr. Yong Swee Chuan, a director and major shareholder of the Company. He is the brother in law of Madam Koh Pei San, a major shareholder of the Company. His son, Mr. Yong Li-Xiang, is his Alternate Director. He does not have any conflict of interest with YBS Group. He has not been convicted of any offences, other than traffic offences (if applicable) within the past five (5) years and there is no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year. Mr. Yong attended all six (6) board meetings held during the financial year.

YONG SWEE CHUAN

Group Executive Director and Chief Engineering Officer

Aged 52 | **Gender** Male | **Nationality** Malaysian

Mr. Yong Swee Chuan is the Executive Director and Chief Engineering Officer of YBS. He was first appointed to the Board on 7 June 2013 and assumed current designation as Group Executive Director and Chief Engineering Officer on 21 February 2024. He obtained his Diploma from Institute Technology Education of Ang Mo Kio in Singapore in 1995. He has over twenty (20) years of engineering experience specialising in metal works and welding as well as tool and automation fabrication and modification in Malaysia and Singapore. He started his career at Tuck Hwa Fabrication Pte. Ltd. in Singapore in 1990. His subsequent employments included Senic Sanyo (Singapore) Pte. Ltd. in 1995 and TKR Manufacturing (Singapore) Pte. Ltd. in 1996, before co-founding OFM with Mr. Yong Chan Cheah in 2006. He specialises in the engineering of computer-aided manufacturing turning, computer numerical control turning and stamping machineries.

Mr. Yong is the brother of Mr. Yong Chan Cheah, the Managing Director and Chief Executive Officer and major shareholder of the Company. He is the spouse of Madam Koh Pei San, a major shareholder of the Company. Additionally, he is also uncle of Mr. Yong Li-Xiang. He does not have any conflict of interest with YBS Group. He has not been convicted of any offences, other than traffic offences (if applicable) within the past five (5) years and there is no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year. Mr. Yong attended all six (6) board meetings held during the financial year.

POA MEI LING

Group Executive Director

Aged 50 | **Gender** Female | **Nationality** Malaysian

Ms. Poa Mei Ling was appointed to the Board of YBS on 1 January 2024. She joined YBS Group on 22 December 2003 as Group Finance Manager and was promoted to Corporate Financial Controller in 2013. She is currently the General Manager in charge of the precision engineering and precision plastic injection moulding division of YBS Group since 2018.

Ms. Poa obtained her Bachelor's Degree with Honours in Accounting from UUM in 1997. She is a Chartered Accountant registered with the Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants. Prior to joining YBS Group, she was the Audit Manager at Deloitte KassimChan (now known as Deloitte PLT).

Ms. Poa has no family relationship with any director and/or major shareholder of the Company nor does she have any conflict of interest with YBS Group. She has not been convicted of any offences, other than traffic offences (if applicable) within the past five (5) years and there is no public sanction or penalty imposed on her by the relevant regulatory bodies during the financial year. Ms. Poa attended one (1) board meeting as her appointment as Executive Director was on 1 January 2024.

LOW HEE CHUNG

Independent Non-Executive Director

Aged 51 | **Gender** Male | **Nationality** Malaysian

Mr. Low Hee Chung is an Independent Non-Executive Director of YBS International Berhad and was appointed to the Board on 31 July 2013. He is the Chairman of the Audit, Sustainability and Risk Committee. He is also a member of the Nominating Committee and Remuneration Committee of the Company.

Mr. Low obtained his Bachelor's Degree with Honours in Accounting from UUM in 1997. He is a Chartered Accountant registered with the Malaysian Institute of Accountants.

Mr. Low has worked for international audit firm, PricewaterhouseCoopers and local audit firm, Peter Chong & Co., over a span of seven (7) years. He has extensive experience in taxation and audit in a wide range of industries in both the public and private sectors. He holds the position of Group Financial Controller of Alma Group of companies since 2003.

Mr. Low has no family relationship with any director and/or major shareholder of the Company nor does he have any conflict of interest with YBS Group. He has not been convicted of any offences, other than traffic offences (if applicable) within the past five (5) years. There is no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year. Mr. Low attended all six (6) board meetings held during the financial year.

GOR SIEW YENG

Independent Non-Executive Director

Aged 58 | **Gender** Female | **Nationality** Malaysian

Ms. Gor Siew Yeng is an Independent Non-Executive Director of YBS and was appointed to the Board on 1 July 2014. She is the Chairman of Remuneration Committee as well as member of the Audit, Sustainability and Risk Committee and Nominating Committee of the Company.

Ms. Gor graduated with a LL.B (Bachelor of Laws) with Honours from the University of London. After obtaining her Certificate in Legal Practice (CLP), Ms. Gor was called to the Malaysian Bar in 1996. She began her legal career as a conveyancing lawyer and subsequently worked as a litigation lawyer, representing mostly financial institutions.

In 1999, Ms. Gor ceased practice as an Advocate and Solicitor to assume the position of in-house corporate legal counsel. Over the years, Ms. Gor has worked as senior legal counsel for Japanese and German multinational companies. Currently, she holds the position of Executive Director in charge of Human Resource, Legal and Compliance in a Japanese multinational company. Ms Gor had also served as a Council Member of the Federation of Malaysian Manufacturers (FMM) from 2016 until 2023.

Ms. Gor has no family relationship with any director and/or major shareholder of the Company nor does she have any conflict of interest with YBS Group. She has not been convicted of any offences, other than traffic offences (if applicable) within the past five (5) years and there is no public sanction or penalty imposed on her by the relevant regulatory bodies during the financial year. Ms. Gor attended all six (6) board meetings held during the financial year.

DATO' JIMMY ONG CHIN KENG

Independent Non-Executive Director

Aged 61 | **Gender** Male | **Nationality** Malaysian

Dato' Jimmy Ong Chin Keng is an Independent Non-Executive Director of YBS International Berhad and was appointed to the Board on 5 February 2021. He was appointed as the Chairman of Nominating Committee on 8 July 2022. He is also a member of the Audit, Sustainability and Risk Committee, and Remuneration Committee of the Company.

Dato' Jimmy Ong is a Chartered Accountant and holds a professional qualification from the Malaysian Institute of Certified Public Accountants. He is also a member of Malaysian Institute of Accountants. He joined Emico Holdings Berhad ("Emico") in February 1993 as the Financial Controller and rose to the rank of Finance Director in 1996. He was appointed as Managing Director on 23 January 2009 and redesignated as Executive Director on 1 October 2019. Subsequently, he was redesignated as Non-Independent Non-Executive Director on 25 September 2022. Dato' Jimmy Ong has extensive experience and knowledge in the field of accounting, finance, corporate finance, manufacturing and property development. Prior to his joining Emico, he served in two international accounting firms namely PricewaterhouseCoopers and KPMG for a total of 10 years.

Dato' Jimmy Ong has no family relationship with any director and/or major shareholder of the Company nor does he have any conflict of interest with YBS Group. He has not been convicted of any offences, other than traffic offences (if applicable) within the past five (5) years and there is no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year. Dato' Jimmy Ong attended all six (6) board meetings held during the financial year.

YONG LI-XIANG

Alternate Director to Yong Chan Cheah

Aged 25 | **Gender** Male | **Nationality** Malaysian

Mr. Yong Li-Xiang joined the Board of YBS International Berhad ("YBS") as Alternate Director to Mr. Yong Chan Cheah, who is a Group Managing Director and Chief Executive Officer of YBS, on 1 September 2023. Mr. Yong Li-Xiang obtained his Bachelor of Science in Mechanical Engineering from Oregon State University, United States of America, in December 2021. He is a Student Affiliate of the National Society of Professional Engineers. He began his career in YBS Group as Product Engineer in February 2022. He has experience in managing the new product introduction (NPI) process. From Year 2023 to May 2024, he took on the role of Deputy Chief Operating Officer at Orifast Solutions Sdn. Bhd., a subsidiary of YBS Group.

Mr. Yong is the son of Mr. Yong Chan Cheah and nephew of Mr. Yong Swee Chuan, both director and major shareholders of the Company. He is also the nephew of Madam Koh Pei San, a major shareholder of the Company. He does not have any conflict of interest with YBS Group. He has not been convicted of any offences, other than traffic offences (if applicable) within the past five (5) years and there is no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

NEOH SZE TSIN

Chief Financial Officer | **Aged** 42 | **Gender** Male | **Nationality** Malaysian

Mr. Neoh Sze Tsin joined YBS International Berhad ("YBS") Group on 15 February 2024 as Chief Financial Officer ("CFO"). Mr. Neoh is a seasoned finance professional with a distinguished career spanning over 15 years in the financial functions of property development and construction companies. He commenced his career as an audit assistant in 2002 and rapidly ascended the ranks, achieving the position of manager by 2007 in a medium-sized audit firm. Mr. Neoh actively participated in diverse audit engagements and corporate assignments, particularly related to the initial public offerings of public companies on the Bursa Malaysia Securities Berhad ("Bursa Securities"). He was the CFO of WM Senibong, a company majority owned by Walker Corporation, one of Australia's largest private development companies. Prior to joining WM Senibong, he was the CFO at Tambun Indah Land Berhad. His notable achievement was the initial public offering of Tambun Indah Land Berhad which was successfully listed on the Main Market of Bursa Securities in January 2011. Mr. Neoh is a member of the Malaysian Institute of Accountants.

LOW MAAN TEONG

Chief Operating Officer | **Aged** 53 | **Gender** Male | **Nationality** Malaysian

Mr. Low Maan Teong joined YBS Group on 1 March 2024 as Chief Operating Officer. He brings over 30 years of extensive experience in the electronic and electrical manufacturing and quality management sectors. Prior to joining YBS, he served as Operations Director for Malaysia and General Manager for Vietnam since 2021. In these roles, he was responsible for business development in Malaysia and oversaw operations in China, Mexico, and Vietnam. His previous engagements include significant positions at Acer, Jabil, Plexus, GP Batteries, and Microsoft in China. Mr. Low is a graduate of Golden State University, USA, where he earned his Bachelor's degree in Business Administration in 2001 and his Master's in Business Administration in 2003.

YEW LI FANG

Finance Manager | **Aged** 36 | **Gender** Female | **Nationality** Malaysian

Ms. Yew Li Fang joined Oriental Fastech Manufacturing Sdn. Bhd. ("OFM") on 13 December 2021 as Finance Manager. She is responsible for financial reporting, statutory reporting, corporate governance, and risk management. She obtained her Bachelor's Degree with Honours in Accounting from UUM in Year 2011. She is a Chartered Accountant registered with the Malaysian Institute of Accountants and ASEAN Chartered Professional Accountant Coordinating Committee. She started her career in audit field over a span of four (4) years. In 2015, she joined a public listed company which is involved in the manufacturing and sales of stationery and printing materials as Senior Accounts Executive, then was promoted to Assistant Accountant in 2016 and Accountant in 2019 before joining OFM.

ADDITIONAL INFORMATION ON THE KEY SENIOR MANAGEMENT

Family relationship with any director and/or major shareholder

None of the Key Senior Management have family relationship with any Directors and/or major shareholders of YBS Group.

Conflict of Interests

The Key Senior Management do not have any conflict of interest with YBS Group.

Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanctions or penalty imposed by the relevant regulatory bodies during the financial year, if any

- None of the Key Senior Management have any convictions for offences other than traffic offences (if applicable) within the past five (5) years.
- None of the Key Senior Management were penalised or sanctioned by any regulatory bodies during the financial year.

5-YEAR FINANCIAL HIGHLIGHTS

| | FINANCIAL YEAR ENDED 31 MARCH | | | | |
|---------------------------------------------------------|-------------------------------|----------------|----------------|----------------|----------------|
| | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 | 2023 RM'000 | 2024 RM'000 |
| Revenue | 67,734 | 63,130 | 79,509 | 88,867 | 98,545 |
| Profit/(Loss) before tax | 1,033 | 3,129 | 7,115 | 4,262 | (7,971) |
| Net profit/(loss) for the year | 446 | 2,339 | 6,192 | 3,165 | (7,884) |
| Net profit/(loss) attributable to owners of the Company | 610 | 2,197 | 6,168 | 4,008 | (6,631) |
| Total equity attributable to owners of the Company | 58,271 | 61,946 | 69,472 | 73,909 | 72,595 |
| Total assets | 81,498 | 106,737 | 133,112 | 159,910 | 162,377 |

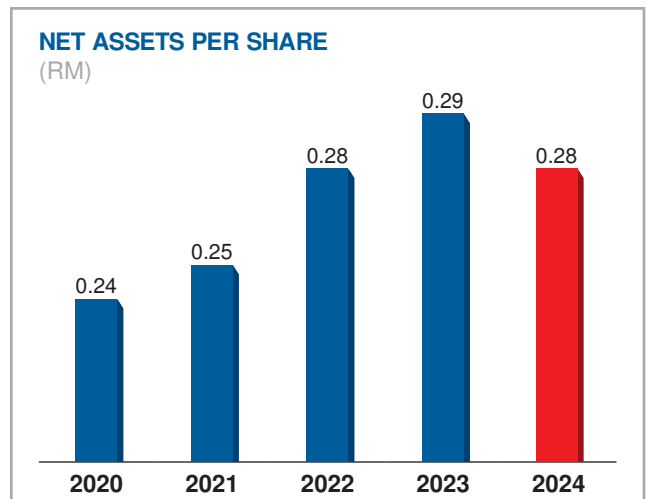
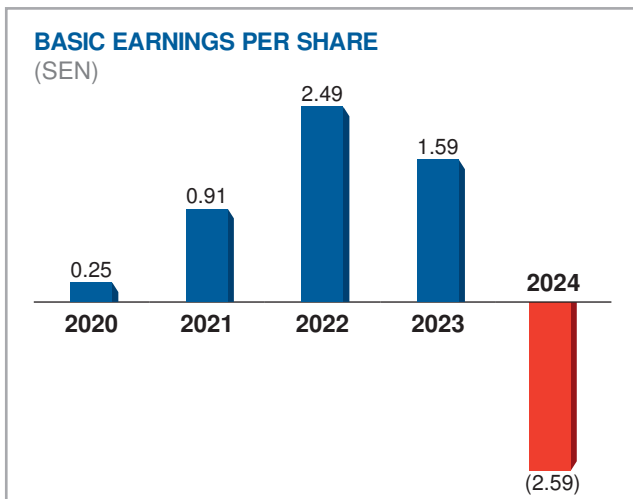
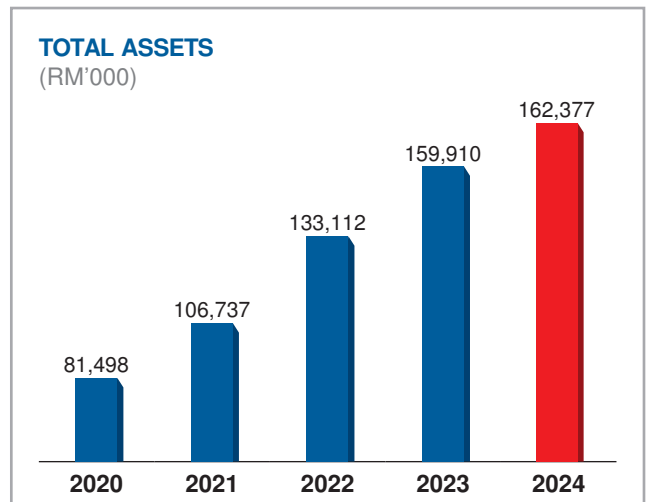
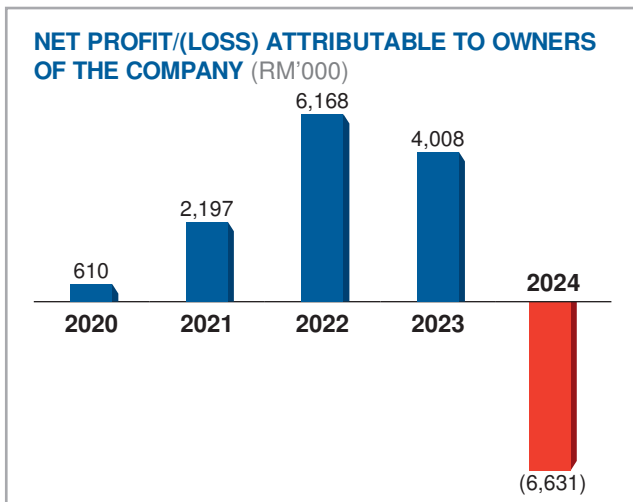
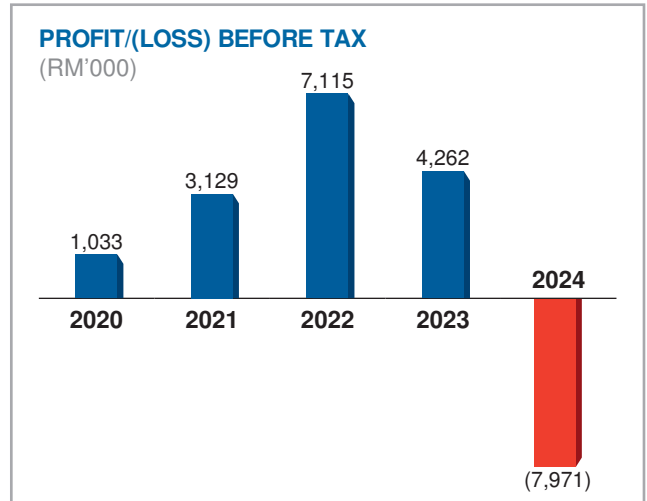
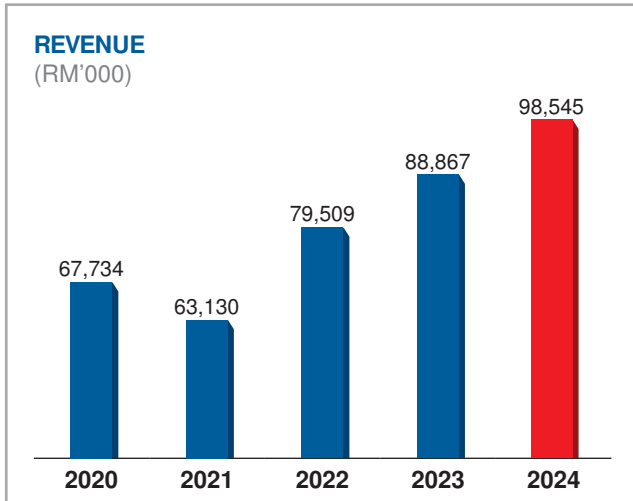
SHARE INFORMATION

| | | | | | |
|----------------------------------|------|------|------|------|---------------|
| Basic earnings per share (sen) | 0.25 | 0.91 | 2.49 | 1.59 | (2.59) |
| Diluted earnings per share (sen) | 0.25 | 0.89 | 2.36 | 1.52 | (2.49) |
| Net assets per share (RM) | 0.24 | 0.25 | 0.28 | 0.29 | 0.28 |

FINANCIAL RATIOS

| | | | | | |
|--------------------------------------------------------|--------|--------|-------|-------|---------------|
| Profit/(Loss) before tax margin | 1.5% | 5.0% | 8.9% | 4.8% | (8.1%) |
| Net Profit/(Loss) margin | 0.7% | 3.7% | 7.8% | 3.6% | (8.0%) |
| Return on equity attributable to owners of the Company | 1.0% | 3.5% | 8.9% | 5.4% | (9.1%) |
| Return on total assets | 0.6% | 2.2% | 4.7% | 2.0% | (4.9%) |
| Revenue growth rate | (1.9%) | (6.8%) | 25.9% | 11.8% | 10.9% |

5-YEAR FINANCIAL HIGHLIGHTS (CONT'D)



CHAIRMAN'S STATEMENT



Dato' Dr. Mohd Sofi Bin Osman
Chairman/Independent Non-Executive Director

Dear Shareholders,

On behalf of the Board of Directors, I present to you the annual report of YBS International Berhad (“YBS” or “the Company”) for the financial year ended 31 March 2024 (“FY2024”).



Revenue

RM98.55m

FY2023: Revenue RM88.87m



Loss Before Tax

RM7.97m

FY2023: Profit before tax RM4.26m



Basic Loss Per Share

2.59sen

FY2023: Basic earnings per share 1.59sen

BUSINESS OVERVIEW

During FY2024, in a volatile global economic environment, our Group has realised a notable revenue increase of 10.9%, attributed to our varied range of businesses and products across different sectors. Despite increase in revenue, our profit margins were influenced by higher expenses, predominantly due to the issuance of employee share options scheme, and a rise in operating costs, reflecting our ongoing investment in our people and operational excellence as part of our strategic growth initiatives.

This year has been pivotal as we strategically positioned ourselves for the promising venture into the new battery venture. While this transition phase has resulted in a departure from our usual financial performance, it marks a significant step towards long-term growth and sustainability.

The Group posted a total revenue of RM98.55 million for FY2024, which is up by RM9.68 million from RM88.87 million in the preceding financial year ended 31 March 2023 ("FY2023"). The Group incurred a loss before tax of RM7.97 million compared to the profit before tax of RM4.26 million in the FY2023. The significant factors contributing to this financial decline were reduced market demands specifically in the precision engineering and plastic injection molding sectors, share option expenses amounting to RM5.02 million, and rising operating costs.

Despite these challenges, the Group's financial position remained robust throughout FY2024, maintaining a healthy cash flow from its operations. The Group have reduced total borrowings which includes bank overdrafts by RM2.20 million from RM58.92 million at the end of FY2023 to RM56.72 million by the end of FY2024. Additionally, the Group recorded cash in banks, including short-term investments and fixed deposits with licensed banks, grew to RM17.62 million up from RM16.05 million on 31 March 2023. The management strategically decided to bolster the Group's liquid assets, fostering resilience amidst economic uncertainty by having financial cushions ready to address unexpected financial challenges.

Beyond its financial results, the Group has achieved considerable progress in its sustainability endeavors, employee training programs, and expansion activities during the FY2024. The challenging market conditions did affect the Group's financial outcomes, resulting in shortfalls. However, progress is being made on a new electronic manufacturing services venture involving manufacturing of lithium-ion batteries, with operational commencement anticipated for FY2025. The Group has also restructured its leadership by recruiting executives with specialised expertise to uphold superior corporate governance and drive continuous development in alignment with the Company's vision and strategic aims, also aiming to attract additional business prospects. Moreover, the introduction of advanced battery manufacturing technology in Malaysia is intended to boost the local economy, propel market innovation, and generate employment opportunities that will contribute to retaining Malaysian expertise.

OUTLOOK

The Group anticipates steering through an erratic and challenging economic environment. Specifically, fluctuations in the value of the Malaysian Ringgit relative to the US Dollar may result in foreign exchange proceeds or deficits that could affect the Group's financial results. Additionally, embarking on a venture in battery manufacturing services is expected to progressively enhance the Group's performance. Meanwhile, the unpredictable trade relations between the US and China may present new business prospects for the Group.

In light of these circumstances, the Group has taken proactive measures to strengthen our financial position, optimise our operational efficiency, and explore new opportunities for growth and innovation. We have also maintained our prudent and disciplined approach to capital management, debt reduction, and cash preservation. These strategies are aimed at enhancing our competitiveness and resilience and creating long-term value for our shareholders and stakeholders.

In summary, the Group maintains a prudent perspective regarding the forthcoming financial cycle and expects possible obstacles ahead. The commitment to enhancing cost-effectiveness and advancing towards a more robust market stance remains unwavering.

DIVIDEND

The Company did not declare any dividends in respect of FY2024 in order to conserve cash for capital expenditure of the Group.

APPRECIATION

I want to extend my heartfelt thanks to our shareholders, stakeholders, directors, management, and team members for their unwavering support, trust, confidence and dedication. I am equally grateful to our clients, vendors, and partners for their cooperation and trust in us and our vision. United, we will surmount the obstacles ahead and achieve greater milestones going forward.

Dato' Dr. Mohd Sofi Bin Osman

Chairman/Independent Non-Executive Director

BUSINESS OVERVIEW

YBS International Berhad (“YBS” or the “Company”) is principally involved in investment holding and provision of management services. Listed on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) since 2003, the subsidiaries (“YBS Group”, “we” or the “Group”) are organised into and managed as separate business units based on their products and services as follows:

- i. Precision engineering and plastic injection moulding - Involved in the design and manufacture of high precision moulds, tools and dies, jigs and fixtures, plastic injection moulding and sub-assembly.
- ii. Precision machining and stamping - Involved in the manufacture and sale of precision machining and stamping components for the telecommunication, industrial sensors, switches, electronic equipment and other industries and the provision of the related specialised engineering services.
- iii. Electronic Manufacturing Services - Involved in the manufacture and assembly of electronic components and lithium-ion batteries assembly process and products.
- iv. Paper products - Involved in the manufacture of corrugated and honeycomb boards and paper related products.

Over the years, YBS diversified from its core business of high precision engineering and plastic injection moulding services and ventured into precision machining and stamping segment as well as the electronic manufacturing services segment. 2017 marked a significant expansion move with the addition of paper honeycomb products manufacturing. During the financial year under review, the Group entered into an agreement to diversify into battery assembly process and products. More recently, in 2023, YBS further extended its manufacturing capabilities to include corrugated paper products. During the financial year under review, the Group has taken a strategic step into the energy sector by initiating lithium-ion batteries assembly processes and product lines.

YBS Group currently operates eight (8) manufacturing facilities, with three (3) each in Johor and in Penang and one (1) each in Ho Chi Minh City, Vietnam and Kerala, India. To enhance its marketing reach, YBS had set up marketing offices in the United States of America and Republic of Singapore; aiming to break into and establish a presence in new markets.

YBS Group's strategy involves diversifying its range of products by focusing on higher value-added items to optimise returns while continuously explore and venturing into new market segments. The Group aims to increase productivity and produce higher quality products through process innovations. In this regard, YBS Group will continue to work closely with its customers to incorporate innovation and improvements into every aspect of its manufacturing processes while doing business in an ethical and sustainable manner.



GROUP FINANCIAL PERFORMANCE

Revenue

The Group's revenue analysis by segments is illustrated in the table below:

| | FY2024 | FY2023 | Increase/ (Decrease) | |
|------------------------------------------------------|---------------|---------------|----------------------|-------------|
| | RM'000 | RM'000 | RM'000 | % |
| Precision engineering and plastic injection moulding | 13,553 | 24,790 | (11,237) | (45.3) |
| Precision machining and stamping | 43,144 | 39,568 | 3,576 | 9.0 |
| Electronic manufacturing services | 12,108 | 2,332 | 9,776 | 419.2 |
| Paper products | 29,740 | 22,177 | 7,563 | 34.1 |
| Total | 98,545 | 88,867 | 9,678 | 10.9 |

GROUP FINANCIAL PERFORMANCE (CONT'D)

Revenue (Cont'd)

Precision engineering and plastic injection moulding segment

Under this segment, the Group produces high precision metal and plastic parts such as moulds, tools and dies, jigs and fixtures and plastic injection moulding parts to the semi-conductor, connector, aerospace, automotive, electrical and electronics, computer and peripherals, and telecommunication industries.

The revenue generated by this segment was RM13.55 million in FY2024 (FY2023: RM24.79 million) with the drop mainly due to softer market demand.

Precision machining and stamping segment

The precision machining and stamping segment is currently serving market leaders in the telecommunications, electrical and electronics, aerospace and automotive industries.

The revenue generated by the Group from this segment totalled RM43.14 million, a 9.0% growth from RM39.57 million in FY2023 boosted by higher market demand from existing customers.

Electronic manufacturing services segment

The electronic manufacturing services segment is mainly engaged in the design and manufacture of precision moulds, tools, dies, jigs, fixtures and precision moulded components of all kinds for specialised industries including aerospace, medical devices, electrical and electronics industries. Recently, the Group has expanded its range of services to include the manufacture, assembly and sales of electronic components and devices, lithium-ion batteries and printed circuit board.

During the year under review, this segment delivered a surge in revenue, RM12.11 million, a 419.2% jump from previous year's RM2.33 million. This significant growth was mainly due to acquisition of new customers within this segment.

Paper products segment

The paper products segment is mainly engaged in the manufacturing and sale of corrugated boards and paper honeycomb products. Corrugated boards are widely used in the production of boxes, cartons and containers, providing sturdy and reliable packaging solutions. On the other hand, paper honeycomb products offer environmentally sustainable options for packaging, shipping, furniture, fittings, and point of purchase displays and exhibitions.

Revenue from this segment was RM29.74 million, RM7.56 million upside from RM22.18 million in FY2023 boosted by corrugated board manufacturing operations during the year under review.



GROUP FINANCIAL PERFORMANCE (CONT'D)

Gross Profit

Gross profit shrank 28.6% to RM10.81 million from RM15.13 million reported in FY2023 with the drop mainly due to the impact of lower margin products, share options expenses amounting to RM3.02 million and softening demand in precision engineering and plastic injection segment.

Statement of Financial Position as at 31 March 2024

As at 31 March 2024, the Group's inventory level stood at RM16.61 million, a 3.26% or RM0.56 million drop from RM17.17 million as at FY2023. The drop in inventory was mainly due to the improvement in production planning and control.

Trade receivables increased to RM18.26 million (FY2023: RM16.70 million) in tandem with higher revenue.

Cash and bank balances (including short term investment and fixed deposits with licensed banks) stood at RM17.62 million; higher than RM16.05 million as at 31 March 2023.

Current liabilities, which comprised mainly trade payables, other payables and accruals, totalled RM27.46 million. In the face of challenging time, the Group adeptly managed its total borrowings and improved its gearing ratio, which reflected its prudent management of debt and capital. As of FY2024, total borrowings (including bank overdrafts) were reduced to RM56.72 million compared with RM58.92 million as at 31 March 2023. Consequently, the gearing ratio improved marginally to 0.77 times compared to 0.78 times as at 31 March 2023. The Group's net current assets position of RM15.81 million indicated its solid position to meet its short-term obligations.

Total equity attributable to owners of the Company stood at RM72.59 million as at 31 March 2024 (FY2023: RM73.91 million) while net assets per ordinary share attributable to owners of the Company also saw a marginal decline, at RM0.28 compared to RM0.29 as at 31 March 2023. The drop in total equity and net assets per ordinary share was mainly due to the loss before tax position reported for the financial year under review.

Cash Flows

The Group has demonstrated a robust financial health in FY2024. The Group generated net cash from operating cash flow of RM11.64 million in FY2024, reflecting a solid operational performance. The positive cash flow from operating activities sustained capital investments, which were crucial to meet evolving requirements of customers, maintaining a competitive edge, and integrating technological advancements to bolster production capabilities. Consequently, the Group recorded the net cash used in investing activities amounted to RM4.20 million in FY2024. The net cash used in financing activities amounted to RM5.56 million in FY2024 predominantly used for repayment on borrowings. As of FY2024, cash and cash equivalents stood at RM15.99 million, which provided it with flexibility to cope with unexpected challenges or seize potential opportunities. Overall, the Group's cash flow statement as at 31 March 2024 underscored the Group's sustainable cash flow position, empowering it to invest in future growth, reduce its debt, and maintain its financial stability.



KEY RISKS AND MITIGATION

Political, economic and regulatory risks

Any adverse political and economic conditions and regulatory developments in Malaysia and other countries where the Group operates could have an adverse effect on its financial performance. Political and economic uncertainties include, but are not limited to, risk of war, changes in political leadership, global economic downturn, unfavourable changes in government policies that include interest rates, method and rate of taxation, currency exchange control or introduction of new regulations, import duties and tariffs.

As such the Group will continue to adopt measures such as prudent management and efficient operating procedures to mitigate any negative impacts and optimise outcomes. The Group expects the operating and business environments for the industry it is in to be very volatile and challenging in the coming financial year.

Currency risk

The Group is exposed to the fluctuation of foreign currency exchange risk arising from sales and purchases denominated in foreign currency. The currency giving rise to this risk is primarily the US Dollar. The Group manages its exposure to the currency risk in the following manner:

- Foreign currency sales and purchases in the same currency provide natural hedge against the fluctuations in the foreign currency exchange rates;
- Maintain part of the cash and bank balances in the foreign currency accounts to meet its future obligations in foreign currencies; and
- Regularly monitor currency markets and analyse currency trends.

Dependence on a few major customers

The Group is dependent on a few major customers for a significant portion of its revenue. The ability to retain these major customers and attract new customers is essential for its continued growth. The Group will intensify its efforts to develop new customer base and explore different product segments to reduce its dependence on the major customers. The Group will also focus on upgrading to new technologies, machineries and equipment as well as practise stringent quality management to fulfill customers' requirements.



OUTLOOK AND FUTURE PROSPECTS

The global business environment remains volatile, mainly due to economic uncertainties and geopolitical tensions.

Fluctuations in the exchange rate between the Malaysian Ringgit and the US Dollar may lead to foreign exchange gains or losses, which could impact the Group's financial results. The Group anticipates a steady improvement in its performance for the next financial year attributed to the initiation of battery production and the possibility for new business opportunities due to the unpredictable trade relations between the US and China.

Precision engineering and plastic injection moulding segment

Bishop and Associates, a market research firm specialising in the connector industry, projected the annual growth rate of sales for connector demand at 4.2% in year 2024. Meanwhile, The World Semiconductor Trade Statistics ("WSTS") projected the world semiconductor market to go up by 16.0% to US\$611 billion in year 2024 due to higher demand for semiconductor-based products. For year 2025, the worldwide semiconductor market is projected to surge by 12.5% to US\$687 billion, primarily driven by the Memory and Logic sectors. All other segments are anticipated to record single-digit growth rates.

Precision machining and stamping segment

Moving forward, the Group is strategically broadening its market presence to enhance its impact within the aerospace and security products sectors. Sales are expected to increase gradually, fueled by rising number of inquiries and quotations presented to international customers across the security, telecommunications and consumer electronics industries. As for the plant in Vietnam, the business engagement from a key customer is expected to remain robust in the near term, bolstered by future projects in the pipeline.

Electronics manufacturing services

The operational results and strategic initiatives of the Group's new customer in the battery manufacturing services sector will have a substantive impact to the Group's financial success in the future.

Paper products segment

Management continues to focus on expanding its array of paper packaging solution products, which are corrugated boards and honeycomb paper products to meet the diverse packaging requirements of different industries. Corrugated boards provide reliable protection, while honeycomb paper products offer lightweight and eco-friendly solutions. Together, these products play crucial roles in ensuring the safe transportation, storage, and preservation of goods across industries.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

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

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

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

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

Separation of Roles of Chairman and CEO

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

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

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

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

I. Board Responsibilities (Cont'd)

Company Secretary

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

Access to Information and Advice

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

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

Board Charter

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

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

Code of Ethics and Conduct

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

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

Whistleblower Policy

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

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

I. Board Responsibilities (Cont'd)

Anti-Bribery and Corruption Policy

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

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

Directors' Fit and Proper Policy

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

II. Board Composition

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

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

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

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

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

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

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

II. Board Composition (Cont'd)

Nominating Committee ("NC")

The membership of the NC is as follows:

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

The NC of YBS assumes the following core responsibilities:

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

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

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

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

Appointment of New Directors to the Board

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

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

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

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

II. Board Composition (Cont'd)

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

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

Board Evaluation

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

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

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

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

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

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

II. Board Composition (Cont'd)

Annual Assessment of Independence

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

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

Time Commitment

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

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

* Appointed as Executive Director on 01 January 2024

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. Board Composition (Cont'd)

Continuing Training Programme

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

III. Remuneration

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

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

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

[#] Demised on 08 July 2023.

* Appointed on 1 January 2024.

** Appointed on 1 September 2023.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

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

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

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

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

II. Risk Management and Internal Control Framework

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

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

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

I. Communication with Stakeholders

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

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

II. Conduct of General Meetings

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

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

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

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

ADDITIONAL DISCLOSURE REQUIREMENTS

1. Utilisation of Proceeds Raised from Corporate Proposals

There were no proceeds raised from any corporate proposals during the financial year ended 31 March 2024 ("FY2024").

2. Audit and Non-Audit Fees

The amount of audit and non-audit fees incurred for services rendered to the Company and its subsidiaries ("Group") for the FY2024 by the Company's Auditors, or a firm or company affiliated to the Auditors' firm are as follows:

| Category | Audit Fees RM | Non-Audit Fees RM |
|--------------|------------------|----------------------|
| Company | 53,000 | 5,000 |
| Subsidiaries | 112,000 | - |
| Total | 165,000 | 5,000 |

3. Material Contracts

There were no material contracts entered into by the Group involving Directors' and/or major shareholders' interests, either still subsisting at the end of the financial year, or entered into since the end of the previous financial year.

4. Employees' Share Option Scheme

The shareholders of the Company had vide its Extraordinary General Meeting held on 25 February 2016 approved the establishment of an Employees' Share Option Scheme ("ESOS").

The implementation of the ESOS is effective from 1 March 2016 with further extension from 1 March 2021 to 28 February 2026. The total number of ESOS granted and the movement during FY2024 are set out below:

| | Number of ESOS as at 31 March 2024 | | | | Balance as at 31 March 2024 |
|--------------|------------------------------------|-------------------|--------------------|---------------------|--------------------------------|
| | Balance as at 1 April 2023 | Granted | Exercised | Lapse/ Forfeited | |
| Directors | 4,947,600 | 6,884,000 | (1,921,200) | (300,000) | 9,610,400 |
| Employees | 6,942,000 | 23,230,000 | (2,733,000) | (940,000) | 26,499,000 |
| Total | 11,889,600 | 30,114,000 | (4,654,200) | (1,240,000) | 36,109,400 |

The vesting period of the ESOS granted on 5 August 2020 was five (5) years commencing from 7 September 2020 while the vesting period for ESOS granted on 20 April 2023 commenced from 19 May 2023 until the expiry of ESOS. The ESOS granted on 04 July 2024 has no vesting period.

Pursuant to the ESOS, not more than 60% of the options available under the scheme shall be allocated, in aggregate, to the Directors and senior management of the Group. Since the commencement of the scheme, 22% of the options available under the scheme have been granted to Executive Directors and Senior Management.

The table below set out the options granted to and exercised by the Non-Executive Directors pursuant to the ESOS in respect of the financial year ended 31 March 2024:

| | Number of ESOS as at 31 March 2024 | | | | Balance as at 31 March 2024 |
|---------------------------|------------------------------------|---------|-----------|---------------------|--------------------------------|
| | Balance as at 1 April 2023 | Granted | Exercised | Lapse/ Forfeited | |
| Low Hee Chung | 260,000 | 200,000 | (100,000) | - | 360,000 |
| Gor Siew Yeng | 152,000 | 150,000 | (76,000) | - | 226,000 |
| Dato' Jimmy Ong Chin Keng | - | 150,000 | - | - | 150,000 |

AUDIT, SUSTAINABILITY AND RISK COMMITTEE REPORT

On 4 July 2024, the Audit Committee has changed its name to Audit, Sustainability and Risk Committee (“ASRC” or “Committee”) with the primary objective of assisting the Board of Directors (“Board”) in fulfilling its fiduciary responsibilities relating to accounting and reporting practices, and systems of internal control of YBS International Berhad (“YBS” or “the Company”) and its subsidiaries (“the Group”).

MEMBERSHIP

The ASRC presently comprises solely Independent Non-Executives Directors as follows:

| | | |
|----------|---|--------------------------------------------|
| Chairman | : | Low Hee Chung |
| Members | : | Gor Siew Yeng Dato’ Jimmy Ong Chin Keng |

Mr. Low Hee Chung, the Chairman of the ASRC is a Chartered Accountant of the Malaysian Institute of Accountants, which is in compliance with Rule 15.09(1) of the ACE Market Listing Requirements (“ACE LR”) of the Bursa Malaysia Securities Berhad (“Bursa Securities”). All members of the ASRC are financially literate and are able to analyse and interpret financial statements to effectively discharge their duties and responsibilities as members of the ASRC.

The Nominating Committee had on 4 July 2024 assessed the performance of the ASRC and its members through the annual board committee effectiveness evaluation. The Nominating Committee is satisfied that the ASRC and its members have discharged their functions, duties and responsibilities in accordance with the ASRC’s Terms of Reference (“ToR”) and supported the Board in ensuring the Group upholds appropriate corporate governance standards.

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

MEETINGS

During the financial year ended 31 March 2024 (“FY2024”), a total of five (5) ASRC meetings were held and the details of the attendance are as follows:

| Members | Meeting Attendance |
|---------------------------|--------------------|
| Low Hee Chung | 5/5 |
| Gor Siew Yeng | 5/5 |
| Dato’ Jimmy Ong Chin Keng | 5/5 |

The ASRC conducted its meetings in an open and constructive manner and encouraged focused discussions, questions and expressions of differing opinions. The External Auditors and Internal Auditors attended meetings of the ASRC to present their reports. As and when necessary, the ASRC would request the attendance of relevant personnel at its meetings to brief the ASRC on specific issues. The representative from the Finance Division also attended the ASRC meetings to present the unaudited quarterly financial statements, as well as other financial reporting related matters for the ASRC’s deliberation and recommendation to the Board for approval, where appropriate.

At each meeting, the Chairman of the ASRC reported the ASRC’s deliberations and recommendations to the Board. Minutes of each ASRC meeting were recorded and tabled for confirmation at the following ASRC meeting and subsequently presented to the Board for notation.

AUDIT, SUSTAINABILITY AND RISK COMMITTEE REPORT

[CONT'D]

ACTIVITIES OF THE AUDIT, SUSTAINABILITY AND RISK COMMITTEE

In line with the ToR of the Committee, the following activities were carried out by the Committee during the FY2024 in discharging its functions:

Financial Reporting

- (a) Reviewed quarterly unaudited financial results of the Group before recommending to the Board for its consideration and approval and subsequent announcement to Bursa Securities.
- (b) Reviewed audited financial statements of the Company and the Group before recommending to the Board for its consideration and approval.
- (c) Reviewed the Company's compliance, in particular, the quarterly and year-end financial statements, with the ACE LR, applicable approved accounting standards of the Malaysian Accounting Standards Board and other relevant legal and statutory requirements.
- (d) Reviewed pertinent issues, which might have significant impact on the results of the Group, including receivables, inventory management, bank borrowings, investments and divestments and strategic operations of subsidiaries.
- (e) Reviewed any recurrent related party transactions of revenue and trading nature and other related party transactions entered into by the Group.

External Auditors

During the FY2024, three (3) private sessions between the ASRC and the external auditors in the absence of the Executive Board members and management staffs were held on 25 May 2023, 6 July 2023 and 21 February 2024 respectively.

On 23 May 2023 and 6 July 2023, the ASRC reviewed and discussed with the previous External Auditors, Crowe Malaysia PLT ("Crowe") on the progress and results of their audit for the financial year ended 31 March 2023 ("FY2023") and the outstanding audit areas as summarised in the Audit Review Memorandum. The ASRC also deliberated on audit issues raised by Crowe and the action plans required to address those issues. During the Meeting, the ASRC enquired Crowe whether they had encountered any matter/concern/issue during the course of audit including the co-operation rendered by the staff. Crowe informed that the Management had granted full co-operation to them during their course of audit.

On 11 December 2023, Crowe provided a notice in writing to the Board for expressing their voluntary resignation as auditors due to resource challenges and travelling constraint from Muar, Johor to Penang. The Board has consented to appoint Grant Thornton Malaysia PLT ("GTM") to succeed Crowe as the new auditors.

On 21 February 2024, GTM tabled the Audit Plan prior to the commencement of the audit of the financial statements for FY2024.

Further to the briefing by GTM, the Committee took note on the key changes in the financial reporting standards and updates which are applicable to the Group.

The ASRC has also obtained confirmation from GTM that they have maintained their independence in accordance with their firm's requirements and with the provision of the By-Laws on Professional Independence of the Malaysian Institute of Accountants (MIA). They are not aware of any cause that in their professional judgement, may be thought to impair their independence.

On 23 May 2024, GTM was invited to the ASRC Meeting to table the Audit Completion Memorandum to the ASRC which summarised the significant audit, accounting and recommendations for improvement in internal control issues that were identified during the statutory audit of the Group for FY2024.

AUDIT, SUSTAINABILITY AND RISK COMMITTEE REPORT

(CONT'D)

ACTIVITIES OF THE AUDIT, SUSTAINABILITY AND RISK COMMITTEE (CONT'D)

External Auditors (Cont'd)

On 4 July 2024, the External Auditors attended the ASRC Meeting to present the closing Audit Review Memorandum to update the ASRC on the finalisation of the audit for the financial statements of the Group for FY2024.

On 4 July 2024, the ASRC has undertaken an assessment of the suitability and independence of GTM considering the factors which include adequacy of experience and resources of the firm and the professional staff assigned to the audit, independence, audit fees and the level of non-audit services to be rendered by GTM to the Company, etc.

Based on the assessment, the ASRC recommended the re-appointment of GTM as the External Auditors of the Group for the ensuing year ending 31 March 2025 after having satisfied with its audit independence and the performance of GTM throughout its course of audit for the FY2024, amongst others:-

- the quality processes/performance of GTM was satisfactory;
- able to give adequate technical support when audit issues arose;
- networking ability and competency to address audit of overseas subsidiaries; and
- adequate experience and resources of GTM.

Corporate Governance

- (a) Reviewed the relevant regulatory changes and ensure compliance by the Company and the Group.
- (b) Reviewed and approved/recommended, as applicable, the ASRC Report, Statement of Risk Management and Internal Control, Statement on Corporate Governance and Corporate Governance Report for Board's approval before inclusion in the Annual Report.

Conflict of Interest ("COI") and Potential COI

In accordance with the amendment of ACE LR in May 2023, the ASRC reviewed and reported to the Board that there was no COI and potential COI situation involving Directors that arose, persist or may arise during the FY2024.

INTERNAL AUDIT FUNCTION

The Group has engaged the services of an independent professional accounting and consulting firm, BDO Governance Advisory Sdn. Bhd. ("BDOGA") to provide much of the assurance it requires regarding the effectiveness as well as the adequacy and integrity of the Group's systems of internal control. BDOGA reports directly to the Committee on its activities. Its principal role is to provide independent assurance on the adequacy and effectiveness of governance, risk management and internal control processes. The cost incurred for the internal audit function for FY2024 was RM44,000.

During the FY2024, the BDOGA presented its findings together with recommendations and management action plans to the Committee at the Meetings on 06 July 2023, 24 August 2023, 21 November 2023 and 21 February 2024 respectively. The ASRC also followed up from time to time the updates and corrective actions by the Management on audited areas reported in the prior quarters.

The Internal Auditors had conducted review on internal control of its subsidiaries during FY2024 in focusing on the following areas:

| Company | Audit Areas | Reporting Date |
|------------------------------------------|-------------------------------------------|------------------|
| Golden City Plastic Sdn. Bhd. | • Inventory Management | 06 July 2023 |
| Bumblebee Eco Solutions Sdn. Bhd. | • Conversion & Production | 24 August 2023 |
| Edaran Precision Industries Sdn. Bhd. | • Conversion & Production | 21 November 2023 |
| Oriental Fastech Manufacturing Sdn. Bhd. | • Information Technology General Controls | 21 February 2024 |

AUDIT, SUSTAINABILITY AND RISK COMMITTEE REPORT

[CONT'D]

INTERNAL AUDIT FUNCTION (CONT'D)

On 21 February 2024, the new Internal Auditors, JWC Consulting Sdn. Bhd. (“JWC”) had tabled the Internal Audit Plan for the year 2024/2025 for the ASRC’s review and approval. The ASRC reviewed and approved the said Plan after taking into consideration the comments from the committee and the advice from the JWC.

RISK MANAGEMENT AND INTERNAL CONTROL

On 23 May 2023 and 21 November 2023 respectively, the ASRC reviewed and discussed the Risk Assessment Report tabled by the Risk Management Committee, the discussion includes risk assessment, summary of action plans and action taken by the management and update of risks register. The ASRC had reviewed and approved the Statement on Risk Management and Internal Control in respect of FY2024 on 22 July 2024 for publication in the Annual Report 2024. Information pertaining to the Company’s internal controls is shown in the Statement on Risk Management and Internal Control set out on page 38 to 42 of this Annual Report.

OTHERS

On 4 July 2024, the ASRC with assistance from management, reviewed and verified the allocation of options pursuant to the Employees’ Share Option Scheme (“ESOS”) for FY2024 and was satisfied that it complied the criteria set out in the By-Laws and provisions of the ESOS.

The ASRC reviewed and discussed with Key Senior Management on the Group’s Annual Budget half yearly and reviewed the Group’s Aging Report on quarterly basis.

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

STATEMENT ON DIRECTORS' RESPONSIBILITIES

The Directors are required to prepare the financial statements for each financial year in accordance with the provisions of the Companies Act 2016. These financial statements are to be drawn up in accordance with applicable approved accounting standards other than private entities as issued by Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of YBS International Berhad ("YBS" or "the Company") and its subsidiaries ("the Group") as at the end of the financial year and of their financial performance and cash flows for the financial year then ended.

In preparing these financial statements for the financial year ended 31 March 2024, the Directors have considered the following:

- that the Group and the Company have used appropriate accounting policies that are consistently applied;
- that reasonable and prudent judgements and estimates were made;
- that the applicable approved accounting standards in Malaysia have been applied; and
- that the preparation of the financial statements was on a going concern basis.

The Directors are responsible for ensuring that the Company and the Group maintain proper accounting records that disclose with reasonable accuracy the financial position of the Company and the Group, and which enable them to ensure that the financial statements comply with the Companies Act 2016.

The Directors have general responsibility for taking such steps that are reasonably available to them to safeguard the assets of the Company and the Group and to prevent and detect fraud and other irregularities.

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

SUSTAINABILITY STATEMENT

INTRODUCTION

The Board of Directors of YBS International Berhad (“YBS” or “the Company”) and its subsidiaries (“the Group”) acknowledges the importance of embedding sustainability considerations into the Group’s operations when developing business strategies to achieve its short-term and long-term objectives. In line with its core principles, the Group is committed “To deliver excellent service and achieve customer satisfaction through continuous improvement and innovation”.

This Statement sets out the sustainability measures that our Group considers as material sustainability risks and opportunities, focuses on economic, environmental and social implications that the Group is exposed to, and arising from the Group’s business operations.

During the financial year ended 31 March 2024, the sustainability initiatives undertaken by our Group were as follows:

STAKEHOLDERS

Our Group believes that stakeholders are the key to the continuous success and business sustainability of the Group. By establishing effective and transparent communication channel with our stakeholders, our Group has a better understanding on their concerns. The table below summarises various type of stakeholder engagement:

| Stakeholders | Method of Engagement |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Shareholders | <ul style="list-style-type: none">• Annual General Meeting and Annual Report• Quarterly Results Announcement• Corporate Website |
| Government and Regulatory Bodies | <ul style="list-style-type: none">• Report Submission• Communication for Updates• Audit or Inspection Visit by Authorities |
| Suppliers/Contractors/Consultants | <ul style="list-style-type: none">• Annual Evaluation and Performance Review• Regular Meetings and Correspondence• Site Inspection Exercise• Contract Negotiation |
| Customers | <ul style="list-style-type: none">• Customer Satisfaction Survey• Frequent Customer Engagement and Interaction• On-site Factory Visit |
| Employees | <ul style="list-style-type: none">• Training and Development• Performance Appraisal Exercise• Corporate Events and Internal Communications |
| Local community | <ul style="list-style-type: none">• Donations• Community or engagement programme |

ECONOMIC

The Group is committed to manage the business responsibly to enhance our competitiveness and delivering long term financial sustainability to its stakeholders. The manufacturing facilities within the Group are accredited with ISO 9001: Quality Management System. It is committed to supply quality products and ensuring customers’ satisfaction through continual improvement in technology, processes and services.

The Group recognises the importance of meeting customers’ requirements. In this regard, its sales and marketing personnel visit customers regularly to obtain their feedback on the product quality and services. Customers are also invited for factory visits and to review and understand its production processes. This practice also helps to build a strong and trustworthy trade relationship with customers.

The Group practices transparent and fair procurement policies among its suppliers. It conducts annual evaluations and performance reviews on suppliers using several criteria such as pricing, on-time delivery, quality and timely response.

ENVIRONMENT

The Group is committed to safeguarding the environment. It continues to monitor and minimise any potential adverse effects of its business operations that may impact the community and environment.

Environment Management System

The Group recognises the impact of its day-to-day business operations on the environment. As such, it is committed to achieving excellence in manufacturing and managing its operations in an environmentally sustainable way by continuously reviewing the controls and standard operating procedures. Its manufacturing plants are accredited with ISO 14001: Environment Management System.

During the financial year, environmental audits that were focused on significant aspects, risks and objectives as required by the Environmental Management System standards were conducted. Systems are in place to monitor and measure noise exposure, environmental air pollution, scheduled waste disposal and sewage discharge to meet legal requirements.

Electricity and Paper Consumption

The Group promotes environmentally conscious work practices such as energy saving and recycling in order to reduce adverse impact on the environment. It monitors the energy and water consumption on a monthly basis and any unusual deviations are promptly addressed and investigated. Employees are educated to switch off air-conditioning and lights during lunch hours and after office hours to reduce unnecessary energy consumption. Also, any water leakage is fixed as soon as it is noticed to avoid waste. Employees are also encouraged to reduce printing or photocopying, and where possible, to use double side printing and recycled paper to reduce carbon footprint on the environment. The Group also encourages a paperless working environment and practise online E-payment to suppliers, E-notification from human resource department to all employees and E-Annual Report to shareholders.

Waste Management

The Group ensures that waste is properly managed and stored. Used materials such as papers or paper cartons are reused, where possible, or collected by scrap collector to recycling centre. Non-recyclable waste is disposed of responsibly in compliance with regulatory requirements through appointed waste contractor.

SOCIAL

The Workplace

The Group identified that workplace safety and health is one of the key areas of sustainability for its business. In this regard, it continuously aims to provide a safe working environment for all employees, customers, suppliers and business partners entering its premises and ensures safe practices in all aspects.

Regular workplace safety inspections and audits and training form part of its comprehensive measures to ensure workplaces are secure, safe, neat and tidy. Various health and safety programmes such as fire drills, safety system checks on equipment and basic first aid training is held regularly to ensure that employees are well prepared in the event of emergencies. It has formed Emergency Response Team to handle emergency situations pending the arrival of assistance from the respective authorities during emergency situations.

The Group also provides employees with the right protection equipment such as face masks, hand gloves and safety shoes as well as educating them on the correct ways to use such equipment.

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

The Employees

Recognising that its employees are the Group's greatest asset and strength, it continues to focus on human capital development to help employees reach their full potential. It provides on-the-job training, both internal and external, to ensure that they are well equipped with the necessary skills, job knowledge and competency levels to execute their roles and responsibilities effectively and efficiently as well as for their personal and career development.

The Group recognises that promoting good health is an essential part of its responsibilities to employees. In this regard, various initiatives such as sports activities are carried out regularly, aimed at developing employees' healthy lifestyle. It also takes care of the health and well-being of employees via medical benefits as well as Group Personal Accident and Group Hospitalisation and Surgical Insurance coverage.

The Community

The Group recognises that it can make a positive impact to the community by giving financial and other resources towards meaningful causes. It provides industrial training for students undertaking various courses every year. During the financial year, the Group had continued to take in students from local institutions, colleges and universities as trainees. This practice provided a chance for the Group to hire talented candidates as well as supporting the Malaysian educational system for human capital development.

CONCLUSION

The Group is committed to balancing good economic performance with responsible environmental and social commitments, ensuring that the notion of sustainability be embedded within its organisation as an important corporate culture. It strives to ensure sustainable practices by applying effective and responsible approach and mitigating foreseeable risks in delivering value to all stakeholders. The Group also reports on its sustainability progress through transparent reporting.

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“ACE LR”) and Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, the Board of Directors of YBS International Berhad (“YBS” or “the Company”) (“Board”) is pleased to present the Statement on Risk Management and Internal Control (the “Statement”) which outlines the governance policies, key elements, nature and scope of risk management and internal control of YBS and its subsidiaries (“the Group”) during the financial year and up to date of approval of this Statement.

BOARD’S RESPONSIBILITY

The Board is committed to the continuous improvement of internal control and risk management practices within the Group to meet its business objectives. The Board affirms its overall responsibility to establish a sound risk management framework and internal control system, and for reviewing the adequacy, integrity and effectiveness of these systems to safeguard shareholders’ investment and the Group’s assets. It covers not only financial controls but operational and compliance controls, and risk management.

However, such systems, by their nature, can only provide reasonable, but not absolute, assurance against hindering the Group from achieving its business objectives, material misstatement, loss and fraud. These systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives of the Group.

The Board through the Audit, Sustainability and Risk Committee, maintains risks oversight for the Group by carrying out the following:

- i. Ongoing reviews with the key management within the Group on the development and maintenance of risk management and internal control framework.
- ii. Review the results of the internal audit programme, processes or investigation undertaken on a quarterly basis, and whether or not appropriate action is taken on the recommendations made by the internal auditors.
- iii. Review with external auditors on the results of their audit, the audit report and internal control recommendations in respect of internal control weaknesses noted in the course of their audit on an annual basis.

RISK MANAGEMENT

The Board recognises the importance for identifying, evaluating and managing the significant risks that could potentially impact the Group.

A Risk Management Committee (“RMC”) was established to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of strategic and operational risks. The RMC oversees the potential risks concerning the business and operations to ensure that they are effectively managed and reports its concerns to the Audit, Sustainability and Risk Committee and Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

RISK MANAGEMENT (CONT'D)

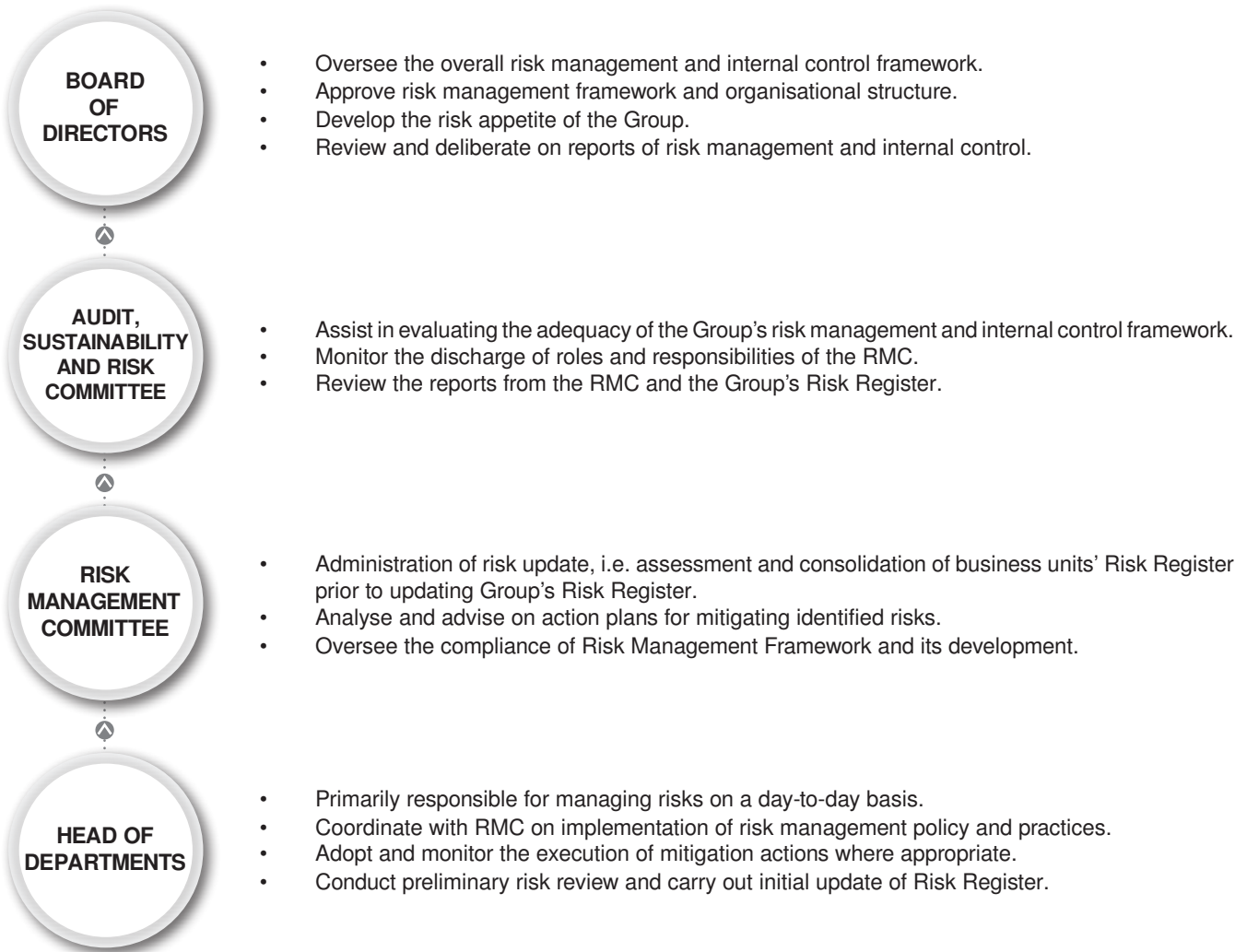
Risk Management Framework

A formal risk management framework has been established with the aim of setting clear guidelines in relation to the level of risks acceptable to the Group. The framework is also designed to ensure proper management of risks that may impede the achievement of the Group's strategic business objectives.

The key elements of the Group's Risk Management Framework are described below:

Risk Management Structure

The following diagram outlines the main parties and their roles and responsibilities in risk management:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

RISK MANAGEMENT (CONT'D)

Risk Management Framework (Cont'd)

Risk Management Process

A summary of the risk management procedures undertaken under the structure of the Group's Risk Management Framework can be delineated as such:

- i. Risk Identification Process
 - Procedures of identifying all hazards, threats or opportunities which may impact the achievement of the Group's business objectives.
- ii. Risk Evaluation Process
 - Process of ranking risk based on a set of prescribed measures which involves the consideration of the following:
 - Likelihood of each of the risks that may occur.
 - Potential impact/consequence of each of the risks, should it occur.
 - Assessment of risk is undertaken by combining estimates of impact and likelihood within the context of existing control environment and measures.
- iii. Risk Treatment Process
 - This phase involves the identification of risk mitigation measures and evaluation of those options in relation to the range of risk identified.
 - Upon the finalisation of said plan, the implementations of mitigation actions are delegated for execution.
- iv. Risk Monitoring and Reporting
 - Procedures which include the review of status of action plans and key performance indicators, where applicable in view to provide assurance that risks are being managed as expected.
 - Regular monitoring of the Group's risk profile reflecting the changing circumstances and new exposures.
 - Risk reporting structure that defines the level of risk escalation process and format of reporting for progressive status updates and matters which require immediate actions.

INTERNAL CONTROL

The key elements of the Group's Internal Control System are described below:

- i. The Board has established a hierarchical organisation structure with proper segregation of duties for key functions of the operations of the Group.
- ii. Delegation of authority including authorisation limits at various levels of management and those requiring the Board's approval are clearly defined to ensure accountability and responsibility.
- iii. Clear, formalised and documented internal policies, standards and procedures are in place to ensure compliance with internal controls and relevant laws and regulations. YBS has a stand-alone Whistle Blowing Policy to provide an avenue for staff or any external party to report any breach or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines. YBS has adopted a zero-tolerance approach towards bribery and corruption and developed an Anti-Bribery and Corruption Policy to comply with the Malaysian Anti-Corruption Commission Act 2018 and any of its amendments. All concerns reported will be taken seriously, treated in confidential manner and investigated immediately.
- iv. The significant operations of each business unit of the Group are accredited with ISO 9001: Quality Management System and ISO 14001: Environmental Management System, and are subject to yearly audit reviews. This ensures that the quality and environmental management system comply with international standards and are continuously improved upon.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

INTERNAL CONTROL (CONT'D)

- v. An annual budget where key performance indicators for each business unit are set, are submitted to the Board for approval. Actual performance is reviewed against budget every six months, allowing timely response and corrective actions to be taken to mitigate significant risks.
- vi. The Group's performance is monitored through management and operational meetings attended by Senior Management. The Executive Directors are also actively involved in the day-to-day operations of the Group.
- vii. There are guidelines within the Group for hiring and termination of staff. Appointment of staff is based on the required level of qualification, experience and competency to fulfill their responsibilities. An induction programme is conducted for all new employees to ensure that they are aware of the existing code of ethical conduct and culture. Training and development programmes are identified and scheduled for employees to ensure that employees are equipped with the necessary knowledge and competencies to carry out their responsibilities. In addition, a formal employee appraisal to evaluate and measure the employees' performance and their competency is performed at least once a year.
- viii. Quarterly and yearly financial and management reports are submitted to the Audit, Sustainability and Risk Committee and the Board for review and approval.
- ix. There is sufficient insurance coverage and physical safeguards on major assets to ensure the Group's assets are adequately covered against any mishap that could result in material loss. A yearly policy renewal exercise is undertaken in which Management reviews the coverage based on the current fixed assets and inventory balances and the respective net carrying amounts and "replacement value", i.e. the prevailing market price for the same or similar item, where applicable.
- x. Through internal audits, the Audit, Sustainability and Risk Committee assesses compliance with policies and procedures and relevant laws and regulations. In addition, it examines and evaluates the effectiveness and efficiency of the Group's internal control system.

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent professional firm (the "Internal Auditors") which carries out its functions independently using the risk-based approach and provides the Audit, Sustainability and Risk Committee and the Board with the assurance on the adequacy and effectiveness of the system of internal control.

The key elements of the Group's Internal Audit Function are described below:

- i. Prepare a detailed Annual Audit Plan in consultation with the Senior Management on the scope and frequency of the internal audit activities for the Audit, Sustainability and Risk Committee's approval.
- ii. Carry out all activities to conduct the audits in an effective, professional and timely manner.
- iii. Inform the Management upon completion of each audit for any significant control lapses and/or deficiencies noted from the reviews for their verification and corrective action plan.
- iv. Report to the Audit, Sustainability and Risk Committee on a quarterly basis on any non-compliance, internal control weaknesses and agreed actions taken by Management to resolve the audit issues that had been identified.

ASSURANCE FROM MANAGEMENT

The Board has received written assurance from the Group's Managing Director and Chief Executive Officer, Executive Directors and Chief Financial Officer that the Group's risk management and internal control system are operating adequately and effectively in all material aspects, to ensure the achievement of corporate objectives.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

[CONT'D]

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Rule 15.23 of the ACE LR, the External Auditors have reviewed this Statement for inclusion in the annual report of the Group for the financial year ended 31 March 2024 in accordance with Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the annual report and reported to the Board that nothing has come to their attention that cause them to believe that this statement, in all material respects: has not been prepared in accordance with the disclosure required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

CONCLUSION

The Board is of the view that the risk management and internal control systems are satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report. The Board continues to take pertinent measures to sustain and, where required, to improve the Group's risk management and internal control systems in meeting the Group's strategic objectives.

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

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

The directors hereby submit their report together with the audited financial statements of the Group and the Company for the financial year ended **31 March 2024**.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding and the provision of management services.

The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

| | GROUP RM | COMPANY RM |
|-----------------------------|---------------------|-----------------------|
| Loss for the financial year | (7,883,797) | (198,737) |
| Attributable to: | | |
| Owners of the Company | (6,631,133) | (198,737) |
| Non-controlling interests | (1,252,664) | - |
| | (7,883,797) | (198,737) |

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year ended **31 March 2024** have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year.

The directors do not recommend any final dividend payment for the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

SHARE CAPITAL AND DEBENTURE

During the financial year, the Company has increased its issued and paid-up ordinary share capital from RM37,310,440 to RM38,175,270 by way of issuance of 4,654,200 new ordinary shares amounting to RM864,830 from the exercise of options under the Company's Employee Share Option Scheme ("ESOS").

The new ordinary shares rank *pari passu* in all respects with the existing ordinary shares of the Company.

Other than the foregoing, the Company did not issue any other shares or debentures.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the ESOS.

At an Extraordinary General Meeting held on 25 February 2016, the Company's shareholders approved the establishment of an ESOS of not more than 30% of the issued and paid-up share capital of the Company, to eligible Directors and employees of the Group.

The salient features and other terms of the ESOS are disclosed in the Note 31 to the financial statements.

As at 31 March 2024, the options offered to take up unissued ordinary shares and the exercise prices are as follows:

| Grant date | Exercise price | Number of share options over ordinary shares | | | | Balance at 31.3.2024 |
|------------|----------------|----------------------------------------------|------------|-------------|-----------|----------------------|
| | | Balance at 1.4.2023 | Granted | Exercised | Forfeited | |
| | RM | | | | | |
| 5.8.2020 | 0.125 | 11,889,600 | - | (4,654,200) | (460,000) | 6,775,400 |
| 20.4.2023 | 0.605 | - | 30,114,000 | - | (780,000) | 29,334,000 |

Details of options granted to directors are disclosed in the section of Directors' Interests In Shares of this report.

DIRECTORS

The directors of the Company in office since the end of the previous financial year to the date of this report are:

Directors of the Company:

Dato' Dr. Mohd Sofi Bin Osman

* Yong Chan Cheah

* Yong Swee Chuan

Dato' Jimmy Ong Chin Keng

Gor Siew Yeng

Low Hee Chung

Yong Li-Xiang (alternate director to Yong Chan Cheah, appointed on 1.9.2023)

* Poa Mei Ling (appointed on 1.1.2024)

Dato' Dr. Pahamin Ab Rajab (demised on 8.7.2023)

Directors of the subsidiaries:

Khor Leong

Khor Sian Phang

Neoh Sze Tsin (appointed on 15.3.2024)

Low Maan Teong (appointed on 15.3.2024)

* The directors are also directors of the Company's certain subsidiaries.

DIRECTORS' REPORT (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:

| Number of Ordinary Shares | | | | |
|----------------------------------|-------------------------------------------------------------|---------------------------|-------------|-------------------------------------|
| | Balance at 1.4.2023/ Date of appointment | ESOS exercised | Sold | Balance at 31.3.2024 |
| The Company: | | | | |
| Direct Interest: | | | | |
| Yong Chan Cheah | 522,600 | 522,600 | - | 1,045,200 |
| Yong Swee Chuan | 522,600 | 522,600 | - | 1,045,200 |
| Low Hee Chung | 240,000 | 100,000 | - | 340,000 |
| Gor Siew Yeng | 228,000 | 76,000 | - | 304,000 |
| ² Poa Mei Ling | 1,200,000 | - | - | 1,200,000 |
| Deemed Interest: | | | | |
| ¹ Yong Chan Cheah | 36,247,579 | - | - | 36,247,579 |
| ¹ Yong Swee Chuan | 36,247,578 | - | - | 36,247,578 |

| Number of options under ESOS | | | | |
|-------------------------------------|-------------------------------------------------------------|----------------|------------------|-------------------------------------|
| | Balance at 1.4.2023/ Date of appointment | Granted | Exercised | Balance at 31.3.2024 |
| The Company: | | | | |
| Direct Interest: | | | | |
| Yong Chan Cheah | 1,567,800 | 2,242,000 | (522,600) | 3,287,200 |
| Yong Swee Chuan | 1,567,800 | 2,242,000 | (522,600) | 3,287,200 |
| Low Hee Chung | 260,000 | 200,000 | (100,000) | 360,000 |
| Gor Siew Yeng | 152,000 | 150,000 | (76,000) | 226,000 |
| ² Poa Mei Ling | 1,400,000 | - | - | 1,400,000 |
| ² Yong Li-Xiang | 900,000 | - | - | 900,000 |
| Dato' Jimmy Ong Chin Keng | - | 150,000 | - | 150,000 |

¹ Deemed interest held through substantial shareholdings held in corporations which held shares in the Company.

² Date of appointment.

Other than the above, none of the other directors holding office at the end of the financial year had any interests in shares in the Company and its related corporations during the financial year.

DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the fees and other benefits received and receivable by the directors of the Company are as follows:

| | COMPANY RM | SUBSIDIARIES RM | GROUP RM |
|-------------------------------------------------------|----------------|--------------------|------------------|
| Directors' fees | 221,258 | - | 221,258 |
| Salaries, bonus, allowances and other benefits | 167,310 | 2,311,357 | 2,478,667 |
| Defined contribution plan | - | 265,982 | 265,982 |
| Social security contribution and employment insurance | - | 3,959 | 3,959 |
| Equity-settled share-based payments | 87,659 | 773,513 | 861,172 |
| Benefits-in-kind | - | 13,550 | 13,550 |
| | 476,227 | 3,368,361 | 3,844,588 |

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown above) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest, other than those related party transactions disclosed in the notes to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the share options granted pursuant to the ESOS of the Company.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains a Directors' and Officers' Liability Insurance Policy on a Group basis. During the financial year, the total amount of indemnity coverage and insurance premium paid for directors and certain officers of the Group were approximately **RM4,600,000** (2023: RM4,600,000) and **RM7,815** (2023: RM7,714) respectively.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no bad debts to be written off and no provision for doubtful debts was required; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

OTHER STATUTORY INFORMATION (CONT'D)

At the date of this report, the directors are not aware of any circumstances:

- (i) which would render it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Group and of the Company; or
- (ii) which would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

DIRECTORS' REPORT (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

AUDITORS

The auditors, **Grant Thornton Malaysia PLT**, have expressed their willingness to continue in office.

The total amount of fees paid to or receivable by the auditors as remuneration for their services to the Group and the Company for the financial year ended 31 March 2024 are as follows:

| | GROUP RM | COMPANY RM |
|----------------------------|---------------------|-----------------------|
| Statutory audit | 165,000 | 53,000 |
| Assurance related services | 5,000 | 5,000 |
| Total | 170,000 | 58,000 |

The Company has agreed to indemnify the auditors to the extent permissible under the provisions of the Companies Act 2016 in Malaysia. However, no payment has been made under this indemnity for the financial year.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors:

.....
Yong Chan Cheah

Penang,

Date: 22 July 2024

.....
Yong Swee Chuan

DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 54 to 116 are properly drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 March 2024** and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors:

.....
Yong Chan Cheah

Date: 22 July 2024

.....
Yong Swee Chuan

STATUTORY DECLARATION

I, **Yong Chan Cheah**, the director primarily responsible for the financial management of **YBS International Berhad** do solemnly and sincerely declare that the financial statements set out on pages 54 to 116 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Penang, this **22nd**)
day of **July 2024**.)

.....
Yong Chan Cheah

Before me,

.....
Goh Suan Bee
No: P125
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF YBS INTERNATIONAL BERHAD (INCORPORATED IN MALAYSIA) REGISTRATION NO.: 200201014380 (582043-K)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **YBS International Berhad**, which comprise the statements of financial position as at **31 March 2024** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 54 to 116.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at **31 March 2024** and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matters | How Our Audit Addressed the Key Audit Matter |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Revenue recognition (Note 19 to the financial statements)</p> <p>The Group's revenue is mainly derived from precision machining and stamping, precision engineering, plastic injection moulding, paper products and electronics manufacturing services.</p> <p>We focus on this area as a key audit matter as there are different contractual arrangements with customers for different revenue streams that may result in different timing in which revenue can be recognised. The master manufacturing contracts entered with the Group's key customers also requires the Group to identify its performance obligations and allocation of the transaction price and consider any variable considerations that are present within these contracts.</p> | <p>Our audit procedures in relation to the revenue recognition included, amongst others, the following:</p> <ul style="list-style-type: none">• Obtained an understanding of the Group's revenue recognition process and their application surrounding the occurrence of revenue and thereafter tested key controls on the effectiveness of the controls in place;• On a sample basis, reviewed the contract terms to evaluate the reasonableness of the performance obligations identified by the Group;• Considered the existence of variable considerations such as volume rebates, credit rebates etc. and its allocation to the transaction price;• Performed analytical procedures on the trend of revenue recognised to identify for any abnormalities;• On sampling basis, performed substantive tests to verify that revenue recognition criteria are being properly applied;• Assessed the correct period for the revenue recognised by testing cut-off through assessing sales transactions taking place at either side of the end of reporting period as well as checking credit notes and sales return issued after the reporting period; and• Reviewed the sales ledger to identify any sales transactions that were entered using non-sales invoices references and evaluated the nature of the transactions to determine whether they were <i>bona fide</i> transactions. |

INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF YBS INTERNATIONAL BERHAD (INCORPORATED IN MALAYSIA) REGISTRATION NO.: 200201014380 (582043-K)

Key Audit Matters (Cont'd)

| Key Audit Matters | How Our Audit Addressed the Key Audit Matter |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Goodwill impairment assessment (Note 7 to the financial statements)</p> <p>As at 31 March 2024, the Group has goodwill amounting to RM10.66 million which has been allocated to precision machining and stamping operating segment as the cash generating unit ("CGU").</p> <p>The management is required to perform annual impairment assessment for its goodwill. We focus on this area as management's assessment of the value in use ("VIU") of the CGU involves estimation uncertainty and judgements about the future results of the business and key assumptions applied to future cash flows projection.</p> | <p>Our audit procedures in relation to the goodwill impairment assessment included, amongst others, the following:</p> <ul style="list-style-type: none"> • Evaluated the model used in determining the VIU of the CGU as well as assessed the discount rate used; • Challenged the reasonableness of management's key assumptions based on our knowledge of the business and industry; • Compared actual performance of the CGU to assumptions applied in prior years' model and assessed the accuracy of management's estimates; • Performed sensitivity analysis on management's key assumptions inputted to the model and understood the impact on the overall carrying amount of goodwill with the alterations to the key assumptions; and • Assessed the adequacy of disclosures in the financial statements. |
| <p>Impairment assessment of investment in subsidiaries (Note 6 to the financial statements)</p> <p>The carrying amount of the Company's investment in subsidiaries as at 31 March 2024 is RM53,296,422 which accounted for approximately 90.9% of the Company's total assets.</p> <p>Certain subsidiaries are either in negative shareholder's fund position or suffering from continuous losses indicating that the carrying amount of the investment in subsidiaries may be impaired. Accordingly, the management has performed an impairment assessment on the investment in these subsidiaries by estimating the recoverable amount using the value in use ("VIU") method. We focus on this area as management's assessment of the VIU involves estimation uncertainty and judgement about the future results of the said subsidiaries and key assumptions applied to the discounted cash flows.</p> | <p>Our audit procedures in relation to the impairment assessment of investment in subsidiaries included, amongst others, the following:</p> <ul style="list-style-type: none"> • Evaluated the reasonableness of the assumptions applied by management in estimating the 5-years cash flow forecasts of the relevant subsidiaries; • Assessed the appropriateness of the discount rate used to determine the present value of the cash flows and whether the rate used reflects the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive; and • Analysed the sensitivity of the key assumptions by assessing the impact of changes to the key assumptions on the recoverable amount. |

INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF YBS INTERNATIONAL BERHAD (INCORPORATED IN MALAYSIA) REGISTRATION NO.: 200201014380 (582043-K)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 6 to the financial statements.

Other Matters

1. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.
2. The financial statements for the preceding year ended 31 March 2023 were audited by another firm of auditors whose report dated 6 July 2023, expressed an unqualified opinion on those financial statements.

Grant Thornton Malaysia PLT
AF: 0737
201906003682 (LLP0022494-LCA)
Chartered Accountants

Terence Lau Han Wen
No. 03298/04/2025 J
Chartered Accountant

Penang

Date: 22 July 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2024

| | NOTE | GROUP | | COMPANY | |
|-------------------------------------------------------|------|--------------------|--------------------|-------------------|-------------------|
| | | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 4 | 78,187,255 | 79,276,690 | 7,275 | 8,706 |
| Right-of-use assets | 5 | 17,228,442 | 16,666,475 | - | - |
| Investment in subsidiaries | 6 | - | - | 53,296,422 | 47,404,702 |
| Goodwill | 7 | 10,655,631 | 10,655,631 | - | - |
| Trade and other receivables, deposits and prepayments | 8 | 357,365 | - | 3,297,580 | 3,555,860 |
| Deferred tax assets | 9 | 405,123 | 470,328 | 10,000 | 10,000 |
| | | <u>106,833,816</u> | <u>107,069,124</u> | <u>56,611,277</u> | <u>50,979,268</u> |
| Current assets | | | | | |
| Inventories | 10 | 16,612,273 | 17,172,153 | - | - |
| Trade and other receivables, deposits and prepayments | 8 | 20,808,741 | 18,973,550 | 1,711,238 | 2,251,055 |
| Current tax assets | | 507,026 | 642,715 | 22,438 | - |
| Other investment | 11 | 2,388,900 | 2,329,307 | - | - |
| Cash and bank balances | 12 | 15,225,771 | 13,723,644 | 262,322 | 97,489 |
| | | <u>55,542,711</u> | <u>52,841,369</u> | <u>1,995,998</u> | <u>2,348,544</u> |
| TOTAL ASSETS | | <u>162,376,527</u> | <u>159,910,493</u> | <u>58,607,275</u> | <u>53,327,812</u> |
| EQUITY AND LIABILITIES | | | | | |
| Share capital | 13 | 38,175,270 | 37,310,440 | 38,175,270 | 37,310,440 |
| Reserves | 14 | 5,755,729 | 1,352,430 | 5,436,434 | 749,157 |
| Retained profits | 15 | 28,663,931 | 35,246,087 | 13,300,901 | 13,483,192 |
| | | <u>72,594,930</u> | <u>73,908,957</u> | <u>56,912,605</u> | <u>51,542,789</u> |
| Non-controlling interests | | 1,029,670 | 1,502,434 | - | - |
| Total equity | | <u>73,624,600</u> | <u>75,411,391</u> | <u>56,912,605</u> | <u>51,542,789</u> |
| Non-current liabilities | | | | | |
| Trade and other payables and accruals | 16 | 756,287 | 765,983 | - | - |
| Borrowings | 17 | 45,121,298 | 48,876,072 | - | - |
| Lease liabilities | 5 | 1,453,114 | 369,461 | - | - |
| Deferred tax liabilities | 9 | 171,500 | 750,088 | - | - |
| Deferred income | 18 | 1,515,668 | 1,271,684 | - | - |
| | | <u>49,017,867</u> | <u>52,033,288</u> | <u>-</u> | <u>-</u> |
| Current liabilities | | | | | |
| Trade and other payables and accruals | 16 | 27,461,139 | 21,688,486 | 1,694,670 | 1,777,606 |
| Borrowings | 17 | 11,600,888 | 10,045,408 | - | - |
| Lease liabilities | 5 | 672,033 | 731,920 | - | - |
| Current tax liabilities | | - | - | - | 7,417 |
| | | <u>39,734,060</u> | <u>32,465,814</u> | <u>1,694,670</u> | <u>1,785,023</u> |
| Total liabilities | | <u>88,751,927</u> | <u>84,499,102</u> | <u>1,694,670</u> | <u>1,785,023</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>162,376,527</u> | <u>159,910,493</u> | <u>58,607,275</u> | <u>53,327,812</u> |

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

| | NOTE | GROUP | | COMPANY | |
|-----------------------------------------------------------------------|------|--------------------|--------------------------|------------------|--------------------------|
| | | 2024 RM | (Restated) 2023 RM | 2024 RM | (Restated) 2023 RM |
| Revenue | 19 | 98,544,595 | 88,867,468 | 722,777 | 722,662 |
| Cost of sales | | (87,737,540) | (73,734,491) | - | - |
| Gross profit | | 10,807,055 | 15,132,977 | 722,777 | 722,662 |
| Other income | | 2,476,967 | 3,231,198 | 46,227 | 46,117 |
| Administrative and other operating expenses | | (16,956,288) | (11,095,770) | (1,037,463) | (576,908) |
| Selling and distribution expenses | | (1,637,241) | (1,423,179) | - | - |
| Reversal/(Addition) of allowance for expected credit losses | | 76,394 | (76,394) | - | (111,200) |
| Operating (loss)/profit | | (5,233,113) | 5,768,832 | (268,459) | 80,671 |
| Finance income* | 20 | 210,658 | 151,059 | 157,319 | 119,191 |
| Finance costs | 21 | (2,948,379) | (1,658,283) | - | - |
| (Loss)/Profit before tax | 22 | (7,970,834) | 4,261,608 | (111,140) | 199,862 |
| Taxation | 23 | 87,037 | (1,096,289) | (87,597) | (120,974) |
| (Loss)/Profit for the financial year | | (7,883,797) | 3,165,319 | (198,737) | 78,888 |
| Other comprehensive loss, net of tax: | | | | | |
| Item that will be reclassified subsequently to profit or loss: | | | | | |
| Foreign currency translation differences for foreign operation | | (283,978) | (102,259) | - | - |
| Total other comprehensive(loss)/income for the financial year | | (8,167,775) | 3,063,060 | (198,737) | 78,888 |

* During the financial year, the finance income has been separately disclosed from other income. Accordingly, the comparative figures have been restated to conform to current year's presentation.

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

| | NOTE | GROUP | | COMPANY | |
|-----------------------------------------------------------------------|------|--------------------|--------------------------|------------------|--------------------------|
| | | 2024 RM | (Restated) 2023 RM | 2024 RM | (Restated) 2023 RM |
| (Loss)/Profit attributable to: | | | | | |
| Owners of the Company | | (6,631,133) | 4,007,689 | (198,737) | 78,888 |
| Non-controlling interest | | (1,252,664) | (842,370) | - | - |
| | | (7,883,797) | 3,165,319 | (198,737) | 78,888 |
| Total comprehensive (loss)/income attributable to | | | | | |
| Owners of the Company | | (6,915,111) | 3,905,430 | (198,737) | 78,888 |
| Non-controlling interest | | (1,252,664) | (842,370) | - | - |
| | | (8,167,775) | 3,063,060 | (198,737) | 78,888 |
| Earnings per share attributable to owners of the Company (sen) | | | | | |
| - Basic | 24 | (2.59) | 1.59 | | |
| - Diluted | 24 | (2.49) | 1.52 | | |

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

| | NOTE | Share Capital RM | Non- distributable ESOS Reserve RM | Distributable Retained Profits RM | Total Equity RM |
|---------------------------------------------------|------|------------------------|------------------------------------------------|--------------------------------------------|-----------------------|
| 2024 | | | | | |
| Balance at beginning | | 37,310,440 | 749,157 | 13,483,192 | 51,542,789 |
| Total comprehensive loss for the financial year | | - | - | (198,737) | (198,737) |
| <i>Transactions with owners of the Company</i> | | | | | |
| Issuance of shares pursuant to: | | | | | |
| ESOS exercised | 13 | 864,830 | (283,055) | - | 581,775 |
| ESOS granted | | - | 4,986,778 | - | 4,986,778 |
| ESOS forfeited | | - | (16,446) | 16,446 | - |
| Total transactions with owners of the Company | | 864,830 | 4,687,277 | 16,446 | 5,568,553 |
| Balance at end | | 38,175,270 | 5,436,434 | 13,300,901 | 56,912,605 |
| 2023 | | | | | |
| Balance at beginning | | 36,903,500 | 624,606 | 13,404,304 | 50,932,410 |
| Total comprehensive income for the financial year | | - | - | 78,888 | 78,888 |
| <i>Transactions with owners of the Company</i> | | | | | |
| Issuance of shares pursuant to: | | | | | |
| ESOS exercised | 13 | 406,940 | (133,190) | - | 273,750 |
| ESOS granted | | - | 257,741 | - | 257,741 |
| Total transactions with owners of the Company | | 406,940 | 124,551 | - | 531,491 |
| Balance at end | | 37,310,440 | 749,157 | 13,483,192 | 51,542,789 |

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

| | GROUP | | COMPANY | |
|-----------------------------------------------------------------------|--------------------|--------------------|------------------|--------------------|
| | 2024 | (Restated) 2023 | 2024 | (Restated) 2023 |
| | RM | RM | RM | RM |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| (Loss)/Profit before tax | (7,970,834) | 4,261,608 | (111,140) | 199,862 |
| Adjustments for: | | | | |
| Accretion of interest on lease liabilities | 222,413 | 140,700 | - | - |
| Bad debts written off | - | 292 | - | - |
| Deferred income released | (156,016) | (133,794) | - | - |
| Depreciation of property, plant and equipment | 5,764,159 | 4,517,637 | 1,431 | 1,431 |
| Depreciation of investment properties | - | 7,390 | - | - |
| Depreciation of right-of-use assets | 1,229,940 | 1,032,794 | - | - |
| Fair value gain on short-term investment | (59,953) | (50,307) | - | - |
| Gain on disposal of property, plant and equipment | (22,278) | (1,213) | - | - |
| Gain on disposal of investment properties | - | (710,185) | - | - |
| Gain on disposal of other investment | - | (159,878) | - | - |
| Interest expense | 2,725,966 | 1,517,583 | - | - |
| Interest income | (151,065) | (100,752) | (157,319) | (119,191) |
| Inventories written down | 280,000 | 79,951 | - | - |
| Property, plant and equipment written off | 16 | 13 | - | - |
| (Reversal)/Addition of allowance for expected credit loss | (76,394) | 76,394 | - | 111,200 |
| Reversal of inventories written down | (160,000) | (191,180) | - | - |
| Unrealised gain on foreign exchange | (217,655) | (246,377) | (46,166) | (22,063) |
| ESOS expenses | 5,019,309 | 257,741 | 87,659 | 11,363 |
| Operating profit/(loss) before working capital changes | 6,427,608 | 10,298,417 | (225,535) | 182,602 |
| Changes in: | | | | |
| Inventories | 439,880 | (3,323,686) | - | - |
| Receivables | (2,176,277) | (1,222,211) | 8,462 | 3,427 |
| Payables | 7,324,496 | 6,937,338 | 96,538 | (6,572) |
| Related companies | - | - | (30,000) | 487,669 |
| Cash generated from/(used in) operations | 12,016,067 | 12,689,858 | (150,535) | 667,126 |
| Interest paid | (87,233) | (42,915) | - | - |
| Income tax paid | (296,819) | (1,554,157) | (123,614) | (131,977) |
| Income tax refunded | 6,162 | - | 6,162 | - |
| Net cash from/(used in) operating activities, balance carried forward | 11,638,177 | 11,092,786 | (267,987) | 535,149 |

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

| | NOTE | GROUP | | COMPANY | |
|-------------------------------------------------------------|------|-------------------|--------------------------|----------------|--------------------------|
| | | 2024 RM | (Restated) 2023 RM | 2024 RM | (Restated) 2023 RM |
| Balance brought forward | | 11,638,177 | 11,092,786 | (267,987) | 535,149 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest received* | | 210,658 | 151,059 | 157,319 | 119,191 |
| Proceeds from disposal of property, plant and equipment | | 22,278 | 13,300 | - | - |
| Proceeds from disposal of investment properties | | - | 1,296,343 | - | - |
| Proceeds from disposal of other investment | | - | 273,878 | - | - |
| Purchase of property, plant and equipment | A | (4,623,724) | (22,027,221) | - | - |
| Purchase of other investment | | - | (114,000) | - | - |
| Net changes in fixed deposit with a licensed bank | | 187,172 | (11,071) | - | - |
| Net changes in subsidiaries' balances | | - | - | (306,274) | (1,378,888) |
| Net cash used in investing activities | | (4,203,616) | (20,417,712) | (148,955) | (1,259,697) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Drawdown of term loans | B | - | 20,189,832 | - | - |
| Government grant received | | 400,000 | - | - | - |
| Interest paid | | (2,638,733) | (1,474,668) | - | - |
| Net changes in related party balances | | (789,124) | 1,893,707 | - | - |
| Proceeds from issuance of ordinary shares | | 581,775 | 273,750 | 581,775 | 273,750 |
| Repayment of hire purchase | B | (478,198) | (462,426) | - | - |
| Net changes of bankers' acceptance | B | 1,929,000 | 1,383,000 | - | - |
| Repayment of term loans | B | (3,570,793) | (9,273,484) | - | - |
| Repayment of lease liabilities | B | (997,946) | (790,282) | - | - |
| Net cash (used in)/from financing activities | | (5,564,019) | 11,739,429 | 581,775 | 273,750 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | 1,870,542 | 2,414,503 | 164,833 | (450,798) |
| EFFECT OF FOREIGN EXCHANGE RATE CHANGES | | (42,347) | 378,571 | - | - |
| CASH AND CASH EQUIVALENTS AT BEGINNING | | 14,163,380 | 11,370,306 | 97,489 | 548,287 |
| CASH AND CASH EQUIVALENTS AT END | | 15,991,575 | 14,163,380 | 262,322 | 97,489 |

* During the financial year, the interest received from financial institution has been separately disclosed from net cash from operating activities to cash flow from investing activities. Accordingly, the comparative figures have been restated to conform to current year's presentation.

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

| | GROUP | | COMPANY | |
|----------------------------------------------------------------|-------------------|--------------------|----------------|--------------------|
| | 2024 | (Restated) 2023 | 2024 | (Restated) 2023 |
| | RM | RM | RM | RM |
| The cash and cash equivalents are represented by: | | | | |
| Fixed deposits with licensed banks | 6,765,172 | 4,183,954 | - | - |
| Cash in hand and at banks | 8,460,599 | 9,539,690 | 262,322 | 97,489 |
| Short-term funds with a licensed financial institution | 2,388,900 | 2,329,307 | - | - |
| Less: Fixed deposits pledged with a licensed bank | (446,430) | (633,602) | - | - |
| Bank overdrafts | (1,176,666) | (1,255,969) | - | - |
| | 15,991,575 | 14,163,380 | 262,322 | 97,489 |
| A. Purchase of property, plant and equipment | | | | |
| Total acquisition cost | 4,636,328 | 24,687,451 | - | - |
| Amount owing to vendors reflected under other payables | (3,082,077) | (3,069,473) | - | - |
| Acquired under hire purchase | - | (165,000) | - | - |
| Cash paid in respect of acquisition in previous financial year | 3,069,473 | 574,243 | - | - |
| Total cash acquisition | 4,623,724 | 22,027,221 | - | - |

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

B. Reconciliation of liabilities arising from financing activities

Reconciliation between the opening and closing balances in the statements of financial position for liabilities arising from financing activities is as follows:

| | Balance at beginning RM | Net cash flows RM | Others RM | Balance at end RM |
|-----------------------------------------------------|-------------------------------|-------------------------|-------------------------------|-------------------------|
| GROUP | | | | |
| 2024 | | | | |
| Borrowings excluding bank overdrafts | 57,665,511 | (2,119,991) | - | 55,545,520 |
| Lease liabilities | 1,101,381 | (997,946) | 2,021,712 | 2,125,147 |
| Total liabilities arising from financing activities | <u>58,766,892</u> | <u>(3,117,937)</u> | <u>2,021,712</u> ¹ | <u>57,670,667</u> |
| 2023 | | | | |
| Borrowings excluding bank overdrafts | 45,603,507 | 12,001,922 | 60,082 | 57,665,511 |
| Lease liabilities | 1,695,562 | (790,282) | 196,101 | 1,101,381 |
| Total liabilities arising from financing activities | <u>47,299,069</u> | <u>11,211,640</u> | <u>256,183</u> ¹ | <u>58,766,892</u> |

¹ Others consist of non-cash movement as follows:

| | GROUP | |
|--------------------------------------------|------------------|----------------|
| | 2024 RM | 2023 RM |
| Accretion of interest on lease liabilities | 222,413 | 140,700 |
| Additions of lease liabilities | 1,786,494 | 41,155 |
| Foreign currency translation | 12,805 | 74,328 |
| | <u>2,021,712</u> | <u>256,183</u> |

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 170-09-01, Livingston Tower Jalan Argyll, 10050 George Town, Penang.

The principal place of business of the Company is located at No. 978 (also known as PT830), Lorong Perindustrian Bukit Minyak 20, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 22 July 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding and the provision of management services.

The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with applicable Malaysian Financial Reporting Standards ("MFRS"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, except for certain financial instrument that is measured at fair values at the end of each reporting period as indicated in the material accounting policies as set out in the notes to the financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. BASIS OF PREPARATION (CONT'D)

2.2 Basis of Measurement (Cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

2.3 Functional and Presentation Currency

The financial statements are presented in Ringgit Malaysia ("RM") which is also the Company's functional currency.

The functional currency is the currency of the primary economic environment in which the Company operates. The Group's foreign operations have different functional currencies.

2.4 Adoption of New Standards/Amendments to MFRSs

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial year except for the adoption of the following MFRS/amendments to MFRSs that are mandatory for the current financial year:

Effective for annual periods beginning on or after 1 January 2023

MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts: Initial application of MFRS 17 and MFRS 9 - Comparative Information

Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of

Accounting Estimates

Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single

Transaction

Amendments to MFRS 112 Income Taxes: International Tax Reform - Pillar Two Model Rules

Initial application of the above new standard/amendments to MFRSs did not have any material impact to the financial statements upon adoption, except for *Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies*. The amendments change the requirements in MFRS 101 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant' with 'material'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in MFRS 101 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Malaysian Accounting Standards Board ("MASB") has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in MFRS Practice Statement 2.

The amendments have an impact on the Group's and the Company's disclosures of accounting policies but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

2. **BASIS OF PREPARATION (CONT'D)**

2.5 **Standards Issued But Not Yet Effective**

The following are accounting standards that have been issued by the MASB but are not yet effective for the Group and the Company:

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101 Presentation of Financial Statements: Non-Current Liabilities with Covenants

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements

Effective for annual period beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

Effective for annual period beginning on or after 1 January 2027

MFRS 18 Presentation and Disclosure in Financial Statements

Effective date yet to be confirmed

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Initial application of the above new standard/amendments to MFRSs is not expected to have material impact to the financial statements, except for Amendments to *MFRS 18 Presentation and Disclosure in Financial Statements*.

MFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to *MFRS 107 Statement of Cash Flows* and *MFRS 134 Interim financial Reporting*.

The amendments will have an impact on the Group's and on the Company's presentation of statement of comprehensive income, statement of cash flows and additional disclosure in the notes to the financial statements but not on the measurement or recognition of any items in the Group's and the Company's financial statements.

The Directors are still assessing the impact on the financial statements of the Group and of the Company from adoption of the standards and interpretations above.

3. **SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.1 Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements: (cont'd)

Determining the lease term of contracts with renewal options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group has included the extension options period as part of the lease term for the lease of factory as it is reasonably certain that the extension options will be exercised. The extension options has not been included for leases of hostels as there is no extension options available.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Useful lives of depreciable assets

Management estimates the useful lives of the plant and machinery to be within 3 to 20 years and reviews the useful lives of depreciable assets at end each of the reporting period. At 31 March 2024 management assesses that the useful lives represent the expected utility of the assets to the Group and to the Company. Actual results, however, may vary due to changes in the expected level of usage and technological developments, which may result in the adjustment to the Group's and to the Company's assets.

The carrying amount of the Group's and of the Company's property, plant and equipment at the end of the reporting period is disclosed in Note 4 to the financial statements.

(ii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying amount, the key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in assumptions are disclosed in Note 7 to the financial statements.

(iii) Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the times the estimates are made. The Group's core business is subject to economical and technological changes which may cause selling prices to change rapidly, and the Group's profit to fluctuate accordingly.

The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 10 to the financial statements.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.2 Key sources of estimation uncertainty (Cont'd)

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below: (cont'd)

(iv) Provision for expected credit losses (“ECL”) of trade receivables

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECL on the Group's trade receivables is disclosed in Note 28.2 (ii) to the financial statements.

(v) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which all the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits would depend on the achievability of projected profits and this requires judgement of the management. These assumptions and judgement are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact on the amount of deferred tax assets recognised.

In the current financial year, a subsidiary of the Group had recognised deferred tax assets as at the end of the reporting period as management considered that it is probable that future taxable profits will be available against which the tax credits can be utilised. The carrying amount of deferred tax assets of the Group as at the end of the reporting period is disclosed in Note 9 to the financial statements.

(vi) Employees' share option

The Group and the Company measure the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and model used for estimating fair value for share-based payment transactions, sensitivity analysis and the carrying amounts are disclosed in Note 31 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2024

4. PROPERTY, PLANT AND EQUIPMENT

GROUP

| 2024 | Leasehold buildings and improvements RM | Plant and machinery RM | Furniture, fittings and office equipment RM | Motor vehicles RM | Capital work-in-progress RM | Total RM |
|---------------------------------|-----------------------------------------|------------------------|---------------------------------------------|-------------------|-----------------------------|-------------|
| At cost | | | | | | |
| Balance at beginning | 29,901,365 | 97,798,633 | 4,716,161 | 2,622,911 | 23,915,422 | 158,954,492 |
| Additions | 1,566,197 | 1,769,704 | 296,066 | 534,315 | 470,046 | 4,636,328 |
| Disposals | - | (237,300) | - | - | - | (237,300) |
| Written offs | (22,208) | (62,170) | (12,575) | - | - | (96,953) |
| Reclassification | 23,755,771 | 217,052 | 291,883 | - | (24,264,706) | - |
| Foreign currency translation | 7,180 | 186,351 | 31,331 | 4,380 | 192 | 229,434 |
| Balance at end | 55,208,305 | 99,672,270 | 5,322,866 | 3,161,606 | 120,954 | 163,486,001 |
| Accumulated depreciation | | | | | | |
| Balance at beginning | 8,836,923 | 65,229,677 | 3,948,916 | 1,662,286 | - | 79,677,802 |
| Current charge | 1,151,941 | 4,041,133 | 286,870 | 284,215 | - | 5,764,159 |
| Disposals | - | (237,300) | - | - | - | (237,300) |
| Written offs | (22,202) | (62,165) | (12,570) | - | - | (96,937) |
| Foreign currency translation | 4,256 | 154,256 | 29,594 | 2,916 | - | 191,022 |
| Balance at end | 9,970,918 | 69,125,601 | 4,252,810 | 1,949,417 | - | 85,298,746 |
| Carrying amount | 45,237,387 | 30,546,669 | 1,070,056 | 1,212,189 | 120,954 | 78,187,255 |

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

GROUP

| 2023 | Leasehold buildings and improvements RM | Plant and machinery RM | Furniture, fittings and office equipment RM | Motor vehicles RM | Capital work-in-progress RM | Total RM |
|---------------------------------|-----------------------------------------|------------------------|---------------------------------------------|-------------------|-----------------------------|--------------------|
| At cost | | | | | | |
| Balance at beginning | 29,489,178 | 80,382,154 | 4,159,445 | 2,431,172 | 18,030,866 | 134,492,815 |
| Additions | 432,781 | 9,594,048 | 554,566 | 188,729 | 13,917,327 | 24,687,451 |
| Disposals | (4,350) | (16,000) | - | - | - | (20,350) |
| Written offs | (5,928) | (45,146) | (1,032) | - | - | (52,106) |
| Reclassification | - | 8,037,583 | - | - | (8,037,583) | - |
| Foreign currency translation | (10,316) | (154,006) | 3,182 | 3,010 | 4,812 | (153,318) |
| Balance at end | 29,901,365 | 97,798,633 | 4,716,161 | 2,622,911 | 23,915,422 | 158,954,492 |
| Accumulated depreciation | | | | | | |
| Balance at beginning | 8,335,364 | 61,692,701 | 3,768,436 | 1,404,914 | - | 75,201,415 |
| Current charge | 519,898 | 3,563,920 | 178,051 | 255,768 | - | 4,517,637 |
| Disposals | (4,350) | (3,913) | - | - | - | (8,263) |
| Written offs | (5,927) | (45,139) | (1,027) | - | - | (52,093) |
| Foreign currency translation | (8,062) | 22,108 | 3,456 | 1,604 | - | 19,106 |
| Balance at end | 8,836,923 | 65,229,677 | 3,948,916 | 1,662,286 | - | 79,677,802 |
| Carrying amount | 21,064,442 | 32,568,956 | 767,245 | 960,625 | 23,915,422 | 79,276,690 |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2024

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

COMPANY

| | Office equipment | |
|---------------------------------|------------------|---------------|
| | 2024 | 2023 |
| | RM | RM |
| At cost | | |
| Balance at beginning/end | <u>28,640</u> | <u>28,640</u> |
| Accumulated depreciation | | |
| Balance at beginning | 19,934 | 18,503 |
| Current charge | <u>1,431</u> | <u>1,431</u> |
| Balance at end | <u>21,365</u> | <u>19,934</u> |
| Carrying amount | <u>7,275</u> | <u>8,706</u> |

Material accounting policy information

All property, plant and equipment are initially measured at cost which includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and to the Company and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation on property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

| Categories | % |
|------------------------------------------|-------------|
| Leasehold buildings and improvements | 1.7 - 20.0 |
| Plant and machinery | 5.0 - 33.3 |
| Furniture, fittings and office equipment | 10.0 - 40.0 |
| Motor vehicles | 10.0 - 20.0 |

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss. Upon the disposal of an item of plant and equipment, the differences between the net disposal proceeds and its carrying amount is charged or credited to profit or loss.

Security

- (i) The carrying amount of leased assets of the Group which are held under hire purchase arrangements as disclosed in Note 17 to the financial statements are as follows:

| | GROUP | |
|---------------------|-------------------------|------------------|
| | 2024 | 2023 |
| | RM | RM |
| Plant and machinery | 1,755,807 | 1,921,956 |
| Motor vehicles | 367,361 | 495,461 |
| | <u>2,123,168</u> | <u>2,417,417</u> |

- (ii) The carrying amount of property, plant and equipment of the Group which are pledged to licensed banks as securities for banking facilities granted to certain subsidiaries as disclosed in Note 17 to the financial statements are as follows:

| | GROUP | |
|--------------------------------------|--------------------------|-------------------|
| | 2024 | 2023 |
| | RM | RM |
| Leasehold buildings and improvements | 13,334,068 | 13,636,069 |
| Plant and machinery | 10,996,297 | 11,902,224 |
| | <u>24,330,365</u> | <u>25,538,293</u> |

- (iii) Included in capital work-in-progress is interest expenses capitalised during the year amounted to **RM Nil** (2023: RM871,966)

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

GROUP

As a lessee

The Group has lease contracts for leasehold land, factories and hostels that are used in its operations and have lease terms of between two to sixty years. At the commencement of the lease, the Group has assessed that it is reasonably certain to exercise the extension option.

The Group also has certain leases of premise and equipment with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. Such lease payments are charged to profit or loss on the straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2024

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

Right-of-use assets

Set out below are the carrying amount of right-of-use assets recognised and the movements during the financial year:

| | Leasehold land RM | Factories RM | Hostels RM | Total RM |
|------------------------------|-------------------------|-----------------|---------------|-------------------|
| 2024 | | | | |
| Balance at beginning | 15,788,024 | 839,079 | 39,372 | 16,666,475 |
| Additions | 1,526,789 | 191,242 | 68,463 | 1,786,494 |
| Depreciation | (927,103) | (248,074) | (54,763) | (1,229,940) |
| Foreign currency translation | (7,580) | 12,993 | - | 5,413 |
| Balance at end | <u>16,380,130</u> | <u>795,240</u> | <u>53,072</u> | <u>17,228,442</u> |
| 2023 | | | | |
| Balance at beginning | 16,152,325 | 1,460,875 | 19,849 | 17,633,049 |
| Additions | - | - | 41,155 | 41,155 |
| Modification | (364,301) | (646,861) | (21,632) | (1,032,794) |
| Depreciation | - | 7,715 | - | 7,715 |
| Foreign currency translation | - | 17,350 | - | 17,350 |
| Balance at end | <u>15,788,024</u> | <u>839,079</u> | <u>39,372</u> | <u>16,666,475</u> |

Lease liabilities

Set out below are the carrying amount of lease liabilities recognised and the movements during the financial year:

| | 2024 RM | 2023 RM |
|------------------------------|------------------|------------------|
| Balance at beginning | 1,101,381 | 1,695,562 |
| Additions | 1,786,494 | 41,155 |
| Accretion of interest | 222,413 | 140,700 |
| Payments | (997,946) | (790,282) |
| Foreign currency translation | 12,805 | 14,246 |
| Balance at end | <u>2,125,147</u> | <u>1,101,381</u> |
| | 2024 RM | 2023 RM |
| Represented by: | 1,453,114 | 369,461 |
| Non-current | 672,033 | 731,920 |
| Current | <u>2,125,147</u> | <u>1,101,381</u> |

5. **RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)**

Material accounting policy information

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying assets are available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

| | |
|----------------|----------------|
| Leasehold land | 48 to 60 years |
| Factories | 1 to 5 years |
| Hostels | 2 years |

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Short-term leases and leases of low-value assets

The Group applies recognition exemption for short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Security

The leasehold land of the Group amounted to **RM13,195,572** (2023: RM13,493,934) is pledged to licensed banks as securities for banking facilities granted to certain subsidiaries as disclosed in Note 17 to the financial statements.

The maturity analysis of lease liabilities is disclosed in Note 28.2(iii) to the financial statements.

The following are the amounts recognised in profit or loss:

| | 2024 | 2023 |
|--------------------------------------------------|------------------|-----------|
| | RM | RM |
| Depreciation of right-of-use assets | 1,229,940 | 1,032,794 |
| Accretion of interest on lease liabilities | 222,413 | 140,700 |
| Expenses relating to lease of low value assets | 2,790 | - |
| Expenses relating to short term leases | 337,362 | 230,217 |
| | 1,792,505 | 1,403,711 |
| Total amount recognised in profit or loss | 1,792,505 | 1,403,711 |
| Total cash outflow for leases | 1,338,098 | 1,020,499 |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2024

6. INVESTMENT IN SUBSIDIARIES

| | COMPANY | |
|--------------------------------------------------------------------------------------------------|-------------------|------------|
| | 2024 RM | 2023 RM |
| Unquoted shares, at cost | | |
| Balaance at beginning | 47,796,444 | 47,550,066 |
| Subscription of new shares | 992,600 | - |
| Allocation of ESOS expenses in respect of share options granted to the employees of subsidiaries | 4,899,120 | 246,378 |
| | 53,688,164 | 47,796,444 |
| Less: Accumulated impairment losses | (391,742) | (391,742) |
| | 53,296,422 | 47,404,702 |

The details of the subsidiaries are as follows:

| Name of Subsidiaries | Principal place of Business/ Country of Incorporation | Effective Equity Interest | | Principal Activities |
|--------------------------------------------------------|----------------------------------------------------------|---------------------------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | 2024 % | 2023 % | |
| Edaran Precision Industries Sdn. Bhd. ("EPISB") | Malaysia | 100 | 100 | Design and manufacture of high precision moulds, tools and dies. |
| Golden City Plastic Sdn. Bhd. ("GCPSB") | Malaysia | 100 | 100 | Precision engineering plastic injection moulding and sub-assembly products. |
| * Edaran Precision India Private Limited ("EPI India") | India | 100 | 100 | Design and manufacture of precision moulds, tools and dies, jigs and fixtures. |
| Oriental Fastech Manufacturing Sdn. Bhd. ("OFMSB") | Malaysia | 100 | 100 | Manufacture, design, fabrication and sales of precision machining, stamping, components, mold, tool and electronics devices and equipment with metal and plastic parts for telecommunication, industrial sensors, switches, electronic equipment and other industries and the provision of related specialised engineering services. |
| * Edaran Resources Pte. Ltd. ("ERPL") | Singapore | 100 | 100 | Research and experimental development and trading of engineering parts including procurement and distribution. |
| Edaran Interconnect Sdn. Bhd. ("EISB") | Malaysia | 100 | 100 | Manufacture and assembly of electronic components. |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2024

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

| Name of Subsidiaries | Principal place of Business/ Country of Incorporation | Effective Equity Interest | | Principal Activities |
|------------------------------------------------------------------|----------------------------------------------------------|---------------------------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | 2024 % | 2023 % | |
| Orifast Solutions Sdn. Bhd. ("OSSB") | Malaysia | 100 | 100 | Engaged in trading of electronic components, manufacturing and assembling of batteries, electronic components and devices. |
| Bumblebee Eco Solutions Sdn. Bhd. ("BESSB") | Malaysia | 56 | 56 | Manufacture and sales of corrugated and honeycomb boards and paper related products. |
| Indirect-held through OFMSB | | | | |
| * Oriental Fastech Manufacturing (Vietnam) Co., Ltd. ("OFMV") | Vietnam | 100 | 100 | Manufacture of precise mechanical components, labels, metal and paper stamping components for electricity, electric, information and other industries. |
| Indirect-held through ERPL | | | | |
| # Orifast Connector Solutions LLC | United States of America | 100 | 100 | Design, develop and supply of interconnect solutions. |

* Not audited by Grant Thornton Malaysia PLT

No requirement for statutory audit in its country of incorporation

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2024

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Material accounting policy information

Investment in subsidiaries are measured in the Company's statement of financial position at cost less any impairment.

The consolidation of subsidiaries is based on the acquisition method.

Additional investment in a subsidiary

On 28 April 2023, the Company has subscribed additional 992,600 ordinary shares in BESSB by way of conversion of the amount owing by BESSB of RM992,600. There was no changes in the equity interest in BESSB as a result of the additional subscription of ordinary shares.

Subsidiary with material non-controlling interests ("NCI")

The Group's subsidiary, namely BESSB has material non-controlling interests which are set out below. The equity interests held by non-controlling interests are as follows:

| | BESSB | |
|---------------------------------|-------------|-----------|
| | 2024 | 2023 |
| | RM | RM |
| Carrying amount of NCI (RM) | 1,029,670 | 1,502,434 |
| Loss allocated to NCI (RM) | (1,252,664) | (842,370) |
| Equity interest held by NCI (%) | <u>44</u> | <u>44</u> |

Summarised financial information of BESSB that has non-controlling interests that is material to the Group is set out below. The summarised financial information presented below is the amount before intercompany elimination.

| | BESSB | |
|------------------------------------------------------------------------|---------------------|---------------------|
| | 2024 | 2023 |
| | RM | RM |
| Assets and liabilities | | |
| Non-current assets | 15,392,678 | 17,658,688 |
| Current assets | 12,498,381 | 12,164,305 |
| Non-current liabilities | (7,977,196) | (10,763,583) |
| Current liabilities | <u>(16,899,365)</u> | <u>(15,598,169)</u> |
| Net assets | <u>3,014,498</u> | <u>3,461,241</u> |
| | | |
| | BESSB | |
| | 2024 | 2023 |
| | RM | RM |
| Results | | |
| Revenue | <u>29,779,667</u> | <u>22,176,843</u> |
| Net loss, representing total comprehensive loss for the financial year | <u>(2,846,963)</u> | <u>(1,914,478)</u> |
| Net cash from/(used in) | | |
| Operating activities | 3,118,444 | (1,069,368) |
| Investing activities | (412,491) | (2,547,086) |
| Financing activities | <u>(2,447,088)</u> | <u>4,374,410</u> |
| Net change in cash and bank balances | <u>258,865</u> | <u>757,956</u> |

7. **GOODWILL**

| | GROUP | |
|--------------------------------|--------------------------|--------------------------|
| | 2024 | 2023 |
| | RM | RM |
| At cost | 13,567,631 | 13,567,631 |
| Less: Allowance for impairment | (2,912,000) | (2,912,000) |
| Carrying amount | <u>10,655,631</u> | <u>10,655,631</u> |

Impairment testing for cash-generating units containing goodwill

The goodwill arose from the Group's acquisition of subsidiaries OFMSB and OFMV both of which are in the precision machining and stamping operating segment. For the purpose of impairment testing, the goodwill was allocated to this division as the cash generating unit ("CGU").

The recoverable amount of the CGUs is determined based on the value-in-use methodology which was derived from pre-tax cash flows projections based on internally approved five-year cash flow projections.

Key assumptions used in value-in-use calculations

The key assumptions on which the management has based on for the five-year cash flow projections and computation of value-in-use are as follows:

(i) Cash flow projections and growth rate

The five-year cash flow projections are prepared based on committed and estimated additional orders from both new and existing customers and management's past experience and future market expectations. The revenue for the first year of the five-year cash flow projections was forecasted at **RM33,000,000** (2023: RM47,300,000). Thereafter, an annual growth rate of **10%** (2023: 13% to 20%) was applied to the remaining years of the cash flow projections of the CGUs.

(ii) Discount rate

Pre-tax discount rate of **11.46%** (2023: 9.80%) was applied to the calculations in determining the recoverable amount of the CGU. The discount rate is estimated based on the industry weighted average cost of capital, taken into consideration risk-free rate and market risk of the country in which the CGUs operate.

The values assigned to the key assumptions represent management's assessment of future trends in the precision machining and stamping industry and are based on both external and internal sources (historical data).

Based on management's assessment, no impairment loss was identified on the goodwill as at the end of the financial year.

Sensitivity to changes in key assumptions

The management believes that any reasonable change in the key assumptions would not cause the recoverable amounts of the CGUs to differ materially from their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2024

8. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

| | Note | GROUP | | COMPANY | |
|---------------------------------------------|------|-------------------|-------------------|------------------|------------------|
| | | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Non-current | | | | | |
| Refundable deposits and prepayments | 8.1 | 357,365 | - | - | - |
| Amount due from subsidiaries | 8.2 | - | - | 3,297,580 | 3,555,860 |
| | | 357,365 | - | 3,297,580 | 3,555,860 |
| Current | | | | | |
| Trade receivables | 8.3 | 18,261,927 | 16,698,647 | - | - |
| Other receivables, deposits and prepayments | 8.1 | 2,546,814 | 2,274,903 | 26,852 | 22,383 |
| Amount due from subsidiaries | 8.2 | - | - | 1,684,386 | 2,228,672 |
| Total current trade and other receivables | | 20,808,741 | 18,973,550 | 1,711,238 | 2,251,055 |
| Total trade and other receivables | | 21,166,106 | 18,973,550 | 5,008,818 | 5,806,915 |

The currency profile of trade and other receivables, deposits and prepayments of the Group and of the Company is as follows:

| | GROUP | | COMPANY | |
|------------------|-------------------|-------------------|------------------|------------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Ringgit Malaysia | 12,919,642 | 10,346,977 | 5,008,818 | 5,806,915 |
| Vietnamese Dong | 4,442,151 | 4,098,879 | - | - |
| US Dollar | 3,600,114 | 4,302,126 | - | - |
| Others | 204,199 | 225,568 | - | - |
| | 21,166,106 | 18,973,550 | 5,008,818 | 5,806,915 |

8.1 Other receivables, deposits and prepayments

| | GROUP | | COMPANY | |
|-----------------------|------------------|------------------|---------------|---------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Other receivables | 607,039 | 285,978 | - | - |
| Advances to suppliers | 262,355 | 118,247 | - | - |
| Deposits | 925,152 | 1,227,873 | - | - |
| Prepayments | 1,109,633 | 642,805 | 26,852 | 22,383 |
| | 2,904,179 | 2,274,903 | 26,852 | 22,388 |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2024

8. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

8.2 Amount due from subsidiaries

| | COMPANY | |
|--------------------------------------------------------------------------|--------------------|-------------|
| | 2024 RM | 2023 RM |
| Non-current | | |
| Non-trade | | |
| Interest bearing at 4.5% to 5.0% (2023: 4.5% to 5.0%) per annum | 3,297,580 | 3,555,860 |
| Current | | |
| Trade | 136,863 | 97,593 |
| Non-trade | | |
| - Interest bearing at 4.5% to 5.0% (2023: 4.5% to 5.0%) per annum | 4,649,508 | 4,992,108 |
| - Non-interest bearing | 896,983 | 1,137,939 |
| Less: Allowance for impairment losses * | (3,998,968) | (3,998,968) |
| | 1,547,523 | 2,131,079 |
| Total current amount due from subsidiaries | 1,684,386 | 2,228,672 |
| Total current and non-current amount due from subsidiaries | 4,981,966 | 5,784,532 |
| * Allowance for impairment losses | | |
| Balance at beginning | (3,998,968) | (3,887,768) |
| Addition | - | (111,200) |
| Balance at end | (3,998,968) | (3,998,968) |

The amount due from subsidiaries is unsecured. The trade related balance are granted credit term of **30 days** (2023: 30 days) while the non-interest bearing portion of the non-trade amount is repayable on demand. The interest bearing portion of the non-trade amount is classified based on the expected timing of repayment in accordance with the loan agreements.

8.3 Trade receivables

| | GROUP | |
|-------------------------|-------------------|------------|
| | 2024 RM | 2023 RM |
| Trade receivables | 18,261,927 | 16,775,041 |
| Less: Allowance for ECL | | |
| Balance at beginning | (76,394) | - |
| Addition | - | (76,394) |
| Reversal | 76,394 | - |
| Balance at end | - | (76,394) |
| | 18,261,927 | 16,698,647 |

- (i) The normal trade credit terms granted by the Group range from **30 to 90 days** (2023: 30 to 90 days). Other credit terms are assessed and approved on case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (ii) The carrying amount of trade receivables pledged as security for banking facilities granted to certain subsidiaries amounted RM4,009,468 (2023: RM4,283,151).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2024

9. DEFERRED TAX ASSETS/(LIABILITIES)

| | GROUP | | COMPANY | |
|--------------------------------------|----------------|------------------|---------------|---------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Balance at beginning | (279,760) | (368,811) | 10,000 | 9,000 |
| Recognised profit or loss | 604,906 | 86,980 | - | 1,000 |
| Foreign currency translation | 18,477 | (9,929) | - | - |
| (Under)/Over provision in prior year | (110,000) | 12,000 | - | - |
| Balance at end | 233,623 | (279,760) | 10,000 | 10,000 |

Presented after appropriate offsetting as follows:

| | GROUP | | COMPANY | |
|--------------------------|----------------|------------------|---------------|---------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Deferred tax assets | 405,123 | 470,328 | 10,000 | 10,000 |
| Deferred tax liabilities | (171,500) | (750,088) | - | - |
| | 233,623 | (279,760) | 10,000 | 10,000 |

The deferred tax assets/(liabilities) as at the end of the reporting period are made up of the temporary differences arising from:

| | GROUP | | COMPANY | |
|-----------------------------------|----------------|------------------|---------------|---------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Property, plant and equipment | (4,241,199) | (3,952,723) | (1,000) | (1,000) |
| Unabsorbed capital allowances | 2,701,920 | 1,519,000 | - | - |
| Unabsorbed reinvestment allowance | 1,324,000 | 1,324,000 | - | - |
| Unabsorbed tax losses | 181,504 | 574,208 | - | - |
| Accrued liabilities | 11,000 | 161,844 | 11,000 | 11,000 |
| Others | 256,398 | 93,911 | - | - |
| | 233,623 | (279,760) | 10,000 | 10,000 |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2024

10. INVENTORIES

| | GROUP | |
|---------------------------------------------------|-------------------|-------------------|
| | 2024 | 2023 |
| | RM | RM |
| At cost | | |
| Raw materials | 8,056,691 | 7,306,425 |
| Work-in-progress | 2,588,181 | 3,235,837 |
| Finished goods | 3,612,974 | 4,766,281 |
| Consumables | 1,856,795 | 1,722,531 |
| Goods-in-transit | 497,632 | 141,079 |
| | <u>16,612,273</u> | <u>17,172,153</u> |
| Cost of inventories recognised in profit or loss: | | |
| Inventories recognised as cost of sales | 87,857,540 | 73,845,720 |
| Inventories written down | 160,000 | 79,951 |
| Reversal of inventories written down | <u>(280,000)</u> | <u>(191,180)</u> |

The carrying amount of inventories pledged as security for banking facilities granted to subsidiaries amounted to **RM4,158,210** (2023: RM4,263,337)

Material accounting policy information

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the specific identification, first-in-first-out method and comprises the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition. Cost of finished goods includes cost of materials, labour and an appropriate proportion of production overheads. The cost of conversion includes cost directly related to the units of production, and a proportion of fixed production overheads based on normal capacity of the production facilities.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

11. OTHER INVESTMENT

| | GROUP | |
|------------------------------------------------------------------------|------------------|------------------|
| | 2024 | 2023 |
| | RM | RM |
| Financial assets at fair value through profit or loss ("FVTPL") | | |
| Short-term fund with a licensed financial institution | <u>2,388,900</u> | <u>2,329,307</u> |

Short term fund with a licensed financial institution of the Group is primarily invested in money market. The fund is readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2024

12. CASH AND BANK BALANCES

| | GROUP | | COMPANY | |
|------------------------------------|-------------------|-------------------|----------------|---------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Unencumbered: | | | | |
| Fixed deposits with licensed banks | 6,318,742 | 3,550,352 | - | - |
| Cash in hand and at banks | 8,460,599 | 9,539,690 | 262,322 | 97,489 |
| | 14,779,341 | 13,090,042 | 262,322 | 97,489 |
| Encumbered: | | | | |
| Fixed deposits with licensed banks | 446,430 | 633,602 | - | - |
| | 15,225,771 | 13,723,644 | 262,322 | 97,489 |

The currency profile of cash and bank balances is as follows:

| | GROUP | | COMPANY | |
|----------------------|-------------------|-------------------|----------------|---------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Ringgit Malaysia | 7,621,061 | 6,075,606 | 262,737 | 96,581 |
| United States Dollar | 7,523,005 | 6,291,274 | 585 | 908 |
| Vietnamese Dong | 2,104 | 1,306,230 | - | - |
| Others | 79,601 | 50,534 | - | - |
| | 15,225,771 | 13,723,644 | 263,322 | 97,489 |

The encumbered fixed deposits with licensed banks are pledged as securities for credit facilities granted to certain subsidiaries as disclosed in Note 17 to the financial statements

The effective interest rates per annum and maturities of the fixed deposits with licensed banks of the Group as at the end of the reporting period are **2.35% to 4.83%** (2023: 1.60% to 5.20%) per annum and **1 month to 12 months** (2023: 1 month to 12 months) respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2024

13. SHARE CAPITAL

| | Number of ordinary shares | | Amount | |
|--------------------------------------------------------|---------------------------|--------------------|-------------------|-------------------|
| | 2024 | 2023 | 2024 RM | 2023 RM |
| Issued and fully paid with no par value: | | | | |
| Balance at beginning | 253,803,385 | 251,613,385 | 37,310,440 | 36,903,500 |
| Issuance of ordinary shares pursuant to ESOS exercised | 4,654,200 | 2,190,000 | 864,830 | 406,940 |
| Balance at end | 258,457,585 | 253,803,385 | 38,175,270 | 37,310,440 |

2024

During the financial year, the Company has increased its issued and paid-up ordinary share capital from RM37,310,440 to RM38,175,270 by way of issuance of 4,654,200 new ordinary shares amounting to RM864,830 from the exercise of options under the Company's ESOS.

2023

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM36,903,500 to RM37,310,440 by way of issuance of 2,190,000 new ordinary shares amounting to RM406,940 from the exercise of options under the Company's ESOS.

14. RESERVES

| | Note | GROUP | | COMPANY | |
|--------------------------------------|------|------------------|------------------|------------------|----------------|
| | | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Non-distributable: | | | | | |
| ESOS reserve | 14.1 | 5,436,434 | 749,157 | 5,436,434 | 749,157 |
| Foreign currency translation reserve | 14.2 | 319,295 | 603,273 | - | - |
| | | 5,755,729 | 1,352,430 | 5,436,434 | 749,157 |

14.1 ESOS reserve

The ESOS reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options. Further details of the ESOS are disclosed in Note 31 to the financial statements.

14.2 Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2024

15. RETAINED PROFITS

COMPANY

The franking of dividends of the Company is under the single tier system and therefore there is no restriction on the Company to distribute dividends subject to the availability of retained profits.

16. TRADE AND OTHER PAYABLES AND ACCRUALS

| | Note | GROUP | | COMPANY | |
|----------------------------------------|------|-------------------|-------------------|------------------|------------------|
| | | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Non-current | | | | | |
| Other payables | 16.1 | 756,287 | 765,983 | - | - |
| Current | | | | | |
| Trade payables | 16.2 | 14,296,592 | 11,284,893 | - | - |
| Other payables and accruals | 16.1 | 13,164,547 | 10,403,593 | 176,042 | 79,504 |
| Amount due to subsidiaries | 16.3 | - | - | 1,518,628 | 1,698,102 |
| Total current trade and other payables | | 27,461,139 | 21,688,486 | 1,694,670 | 1,777,606 |
| Total trade and other payables | | 28,217,426 | 22,454,469 | 1,694,670 | 1,777,606 |

The currency profile of trade and other payables and accruals are as follows:

| | GROUP | | COMPANY | |
|------------------|------------|------------|------------|------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Ringgit Malaysia | 22,204,826 | 16,956,599 | 1,694,670 | 1,424,006 |
| Vietnamese Dong | 5,089,752 | 4,631,976 | - | - |
| US Dollar | 170,058 | 416,992 | - | 353,600 |
| Singapore Dollar | 152,987 | 165,622 | - | - |
| Indian Rupee | 599,803 | 283,280 | - | - |
| | 28,217,426 | 22,454,469 | 1,694,670 | 1,777,606 |

16. TRADE AND OTHER PAYABLES AND ACCRUALS (CONT'D)

16.1 Other payables and accruals

| | GROUP | | COMPANY | |
|-----------------------------|-------------------|-------------------|----------------|---------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Other payables | 4,116,079 | 4,631,571 | 65,092 | 79,504 |
| Deposits received | | | | |
| - Refundable | 4,026,742 | 652,455 | - | - |
| - Non-refundable | 456,907 | 579,618 | - | - |
| Accruals | 4,128,961 | 3,384,767 | 110,950 | - |
| Amount due to related party | 1,104,583 | 1,893,707 | - | - |
| SST payable | 87,562 | 27,458 | - | - |
| | 13,920,834 | 11,169,576 | 176,042 | 79,504 |

- (i) The other payables are non-interest bearing and are normally settled on **30 to 90 days** (2023: 30 to 90 days) credit terms.
- (ii) The non-trade amount due to a related party is due to a company in which certain directors of a subsidiary have substantial financial interests. It is unsecured, interest bearing at **5%** (2023: 5%) per annum and classified based on expected timing of realisation.
- (iii) Included in other payables of the Group is an amount of **RM12,604** (2023: RM3,069,473) payable for the purchase of property, plant and equipment.

16.2 Trade payables

The trade payables are non-interest bearing and are normally settled on **30 to 90 days** (2023: 30 to 90 days) credit terms.

16.3 Amount due to subsidiaries

The amount due to subsidiaries are non-trade related, unsecured, non-interest bearing and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

17. **BORROWINGS**

| | GROUP | |
|--------------------------------|--------------------------|--------------------------|
| | 2024 | 2023 |
| | RM | RM |
| Non-current liabilities | | |
| Secured: | | |
| Hire purchase | 442,855 | 915,971 |
| Term loans | <u>44,678,443</u> | <u>47,960,101</u> |
| | <u>45,121,298</u> | <u>48,876,072</u> |
| Current liabilities | | |
| Secured: | | |
| Bank overdrafts | 1,176,666 | 1,255,969 |
| Bankers' acceptance | 5,495,000 | 3,566,000 |
| Hire purchase | 477,586 | 482,668 |
| Term loans | <u>4,451,636</u> | <u>4,740,771</u> |
| | <u>11,600,888</u> | <u>10,045,408</u> |
| Total borrowings | <u>56,722,186</u> | <u>58,921,480</u> |

The borrowings are secured by way of:

- (i) legal charge over the property, plant and equipment and right-of-use assets of certain subsidiaries as disclosed in Note 4 and 5 to the financial statements;
- (ii) inventories of certain subsidiaries as disclosed in Note 10;
- (iii) trade receivables of certain subsidiaries as disclosed in Note 8;
- (iv) pledged of fixed deposits with a licensed bank of certain subsidiaries as disclosed in Note 12 to the financial statements;
- (v) corporate guarantees of the Company; and
- (vi) Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) guarantee.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2024

17. BORROWINGS (CONT'D)

A summary of the effective interest rates per annum and the maturities of the borrowings is as follows:

| GROUP | Effective interest rates per annum (%) | Total RM | Within one year RM | More than one year and less than five years RM | More than five years RM |
|---------------------|----------------------------------------|------------|--------------------|------------------------------------------------|-------------------------|
| 2024 | | | | | |
| Bank overdrafts | 7.2 | 1,176,666 | 1,176,666 | - | - |
| Bankers' acceptance | 1.3 to 5.1 | 5,495,000 | 5,495,000 | - | - |
| Hire purchase | 2.6 to 4.7 | 920,441 | 477,586 | 442,855 | - |
| Term loans | 2.4 to 7.5 | 49,130,079 | 4,451,636 | 12,337,544 | 32,340,899 |
| 2023 | | | | | |
| Bank overdrafts | 6.0 to 9.2 | 1,255,969 | 1,255,969 | - | - |
| Bankers' acceptance | 3.3 to 4.8 | 3,566,000 | 3,566,000 | - | - |
| Hire purchase | 3.9 to 5.7 | 1,398,639 | 482,668 | 915,971 | - |
| Term loans | 3.0 to 9.5 | 52,700,872 | 4,283,184 | 4,494,411 | 43,923,277 |

18. DEFERRED INCOME

| | GROUP | |
|------------------------------------|------------------|------------------|
| | 2024 RM | 2023 RM |
| Government grants | | |
| Balance at beginning | 1,271,684 | 1,405,478 |
| Received during the financial year | 400,000 | - |
| Released to profit or loss | (156,016) | (133,794) |
| Balance at end | 1,515,668 | 1,271,684 |

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

Material accounting policy information

Government grants related to assets are set up as deferred income and recognised in profit or loss as income on a systematic basis over the estimated useful life of the assets.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2024

19. REVENUE

19.1 Disaggregated revenue information

| | GROUP | | COMPANY | |
|--------------------------------------------------------|-------------------|-------------------|----------------|----------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Types of revenue | | | | |
| Precision engineering and precision injection moulding | 13,553,374 | 24,790,464 | - | - |
| Precision machining and stamping | 43,144,149 | 39,568,285 | - | - |
| Paper products | 29,739,589 | 22,176,767 | - | - |
| Electronic manufacturing services | 12,107,483 | 2,331,952 | - | - |
| Total revenue from contracts with customers | 98,544,595 | 88,867,468 | - | - |
| Management fee income, representing other revenue | - | - | 722,777 | 722,662 |
| Total revenue | 98,544,595 | 88,867,468 | 722,777 | 722,662 |

Geographical markets

The revenue contribution geographically is based on the geographical location of customers and is disclosed in Note 26 to the financial statements.

Timing of revenue recognition

The revenue of the Group and of the Company are recognised at point in time.

19.2 Contract balances

| | GROUP | |
|----------------------------|------------|------------|
| | 2024 RM | 2023 RM |
| Trade receivables (Note 8) | 18,261,927 | 16,698,647 |

19. REVENUE (CONT'D)

19.3 Material accounting policy information

19.3.1 Precision Engineering and Plastic Injection Moulding

Revenue from precision engineering and plastic injection moulding involves the design, manufacture and sale of high precision moulds, tools and jigs, dies and fixtures as well as plastic injection moulding and sub-assembly. Revenue is recognised at a point in time when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance.

19.3.2 Precision Machining and Stamping

Revenue from precision machining and stamping involves the provision of specialised engineering services in relation to precision machining and stamping components for telecommunication, industrial sensors and switches and electronic equipment. Revenue is recognised at a point in time when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance.

19.3.3 Paper Products

Revenue from paper products involves the manufacture and sale of corrugated and honeycomb boards and paper products used in packaging and shipping. Revenue is recognised at a point in time when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance.

19.3.4 Electronic manufacturing services

Revenue from the provision of electronic manufacturing services encompasses the assembly and sale of lithium-ion batteries, printed circuit boards, electronic components and devices. Revenue is recognised at a point in time when the Group satisfies its performance obligations to the customers.

19.3.5 Management fee income

Management fee income is recognised on an accrual basis.

20. FINANCE INCOME

| | GROUP | | COMPANY | |
|------------------------------------------|----------------|----------------|----------------|----------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Fair value gain on short-term investment | 59,593 | 50,307 | - | - |
| Interest income from: | | | | |
| - deposits with licensed banks | 151,065 | 100,752 | 349 | 598 |
| - amount due from subsidiaries | - | - | 156,970 | 118,593 |
| | 210,658 | 151,059 | 157,319 | 119,191 |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2024

21. FINANCE COSTS

| | GROUP | |
|-----------------------------|------------------|------------------|
| | 2024 RM | 2023 RM |
| Interest expenses on: | | |
| - bankers' acceptance | 228,157 | 132,730 |
| - bank overdrafts | 87,233 | 42,915 |
| - hire purchase | 51,617 | 74,984 |
| - term loans | 2,253,218 | 1,253,146 |
| - lease liabilities | 222,413 | 140,700 |
| - loan from a related party | 55,141 | 13,808 |
| - others | 50,600 | - |
| | 2,948,379 | 1,658,283 |

22. (LOSS)/PROFIT BEFORE TAX

This is arrived at:

| | GROUP | | COMPANY | |
|------------------------------------|------------|------------|------------|------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| After charging: | | | | |
| Auditors' remuneration related to: | | | | |
| Statutory audits | | | | |
| - Company's auditors | 165,000 | 129,500 | 53,000 | 32,000 |
| - Others auditors | | | | |
| - Current year | 53,796 | 50,113 | - | - |
| - Under provision in prior year | 1,000 | - | 1,000 | - |
| Assurance related services: | | | | |
| - Company's auditors | 5,000 | 18,222 | 5,000 | 4,000 |
| - Affiliate of Company auditors | - | - | - | 3,604 |
| Bad debt written off | - | 292 | - | - |
| Depreciation: | | | | |
| - investment properties | - | 7,390 | - | - |
| - property, plant and equipment | 5,764,159 | 4,517,637 | 1,431 | 1,431 |
| - right-of-use assets | 1,229,940 | 1,032,794 | - | - |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2024

22. (LOSS)/PROFIT BEFORE TAX (CONT'D)

| | GROUP | | COMPANY | |
|-----------------------------------------------------------------|-------------------|------------|----------------|------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| (i) Emoluments for non-executive directors | 334,917 | 197,363 | 334,917 | 197,363 |
| Inventories written down | 280,000 | 79,951 | - | - |
| Loss on foreign exchange | | | | |
| - Realised | 53,148 | - | 22,057 | 3,923 |
| - Unrealised | 166,168 | - | - | - |
| Property, plant and equipment written off | 16 | 13 | - | - |
| (ii) Staff costs | 29,586,128 | 23,540,881 | 143,090 | 125,609 |
| And crediting: | | | | |
| Deferred income released | 156,016 | 133,794 | - | 128,376 |
| Gain on disposal of investment properties | - | 710,185 | - | - |
| Gain on disposal of property, plant and equipment | 22,278 | 1,213 | - | - |
| Gain on foreign exchange | | | | |
| - Realised | 488,012 | 295,357 | - | 319,502 |
| - Unrealised | 383,823 | 246,377 | 46,166 | 22,063 |
| Reversal of inventories previously written down | 160,000 | 191,180 | - | - |
| (i) Emoluments for non-executive directors | | | | |
| Fees | 221,258 | 171,500 | 221,258 | 171,500 |
| Allowance | 26,000 | 14,500 | 26,000 | 14,500 |
| Share based payment expenses | 87,659 | 11,363 | 87,659 | 11,363 |
| | 334,917 | 197,363 | 334,917 | 197,363 |
| (ii) Staff costs | | | | |
| Salaries, bonus, wages, overtime, allowances and other benefits | 22,478,871 | 21,704,282 | 143,090 | 125,609 |
| Defined contribution plan ("EPF") | 2,175,607 | 1,590,221 | - | - |
| Share based payment expenses | 4,931,650 | 246,378 | - | - |
| | 29,586,128 | 23,540,881 | 143,090 | 125,609 |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2024

22. (LOSS)/PROFIT BEFORE TAX (CONT'D)

Directors' emoluments

The aggregate amount of remuneration received and receivable by directors of the Company and its subsidiaries under staff costs are as shown below:

| | GROUP | | COMPANY | |
|--------------------------------------------------|------------------|------------------|----------------|----------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Executive directors of the Company: | | | | |
| - Salaries, bonus, allowances and other benefits | 2,456,626 | 2,198,786 | 141,311 | 118,076 |
| - EPF | 265,982 | 199,479 | - | - |
| - Share based payment expenses | 773,513 | 61,686 | - | - |
| - Benefits-in-kind | 13,550 | - | - | - |
| | 3,509,671 | 2,459,951 | 141,311 | 118,076 |
| Executive directors of the subsidiaries: | | | | |
| - Salaries, bonus and allowances | 811,476 | 804,139 | - | - |
| - EPF | 97,989 | 95,066 | - | - |
| - Share based payment expenses | 343,445 | 19,259 | - | - |
| | 1,252,910 | 918,464 | - | - |
| Total executive directors' emoluments | 4,762,581 | 3,378,415 | 141,311 | 118,076 |

23. TAXATION

| | GROUP | | COMPANY | |
|----------------------------------------------------------------------------------|---------------|--------------------|-----------------|------------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Based on results for the financial year | | | | |
| - Current tax | | | | |
| - Malaysian income tax | (553,674) | (1,125,195) | (90,280) | (120,000) |
| - Foreign income tax | (3,723) | (3,564) | - | - |
| - Deferred tax relating to the origination and reversal of temporary differences | 604,906 | 81,016 | - | - |
| | 47,509 | (1,047,743) | (90,280) | (120,000) |
| Over/(Under) provision in prior year | | | | |
| - Current tax | 149,528 | 43,337 | 2,683 | - |
| - Deferred tax | (110,000) | 12,000 | - | (706) |
| | 39,528 | 55,337 | 2,683 | (706) |
| Real property gains tax | - | (58,660) | - | - |
| Withholding tax | - | (45,223) | - | (268) |
| | 87,037 | (1,096,289) | (87,597) | (120,974) |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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23. TAXATION (CONT'D)

The reconciliation of tax expense of the Group and of the Company is as follows:

| | GROUP | | COMPANY | |
|------------------------------------------------------------|--------------------|-------------|------------------|------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| (Loss)/Profit before tax | (7,970,834) | 4,261,608 | (111,140) | 199,862 |
| Income tax at Malaysian statutory tax rate of 24% | 1,913,000 | (1,022,786) | 26,674 | (48,000) |
| Different tax rates in other countries | 25,247 | (5,258) | - | - |
| Expenses not deductible for tax purposes | (1,561,498) | (338,728) | (134,566) | (72,000) |
| Income not subject to tax | 228,033 | 245,000 | 17,612 | - |
| Utilisation of previously unrecognised deferred tax assets | (17,580) | 71,000 | - | - |
| Deferred tax assets not recognised | (539,693) | (1,123,971) | - | - |
| Tax incentive utilised | - | 1,127,000 | - | - |
| | 47,509 | (1,047,743) | (90,280) | (120,000) |
| Over/(Under) provision in prior year | 39,528 | 55,337 | 2,683 | (706) |
| Real property gains tax | - | (58,660) | - | - |
| Withholding tax | - | (45,223) | - | (268) |
| | 87,037 | (1,096,289) | (87,597) | (120,974) |

The following deferred tax assets (gross amount) have not been recognised as at the end of the reporting period as it is not probable that future taxable profit will be available against which they may be utilised. As at the end of the reporting period, the Group's and the Company's deferred tax position are as follows:

| | GROUP | | COMPANY | |
|-------------------------------------|---------------------|--------------|------------|------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Deferred tax recognised: | | | | |
| Property, plant and equipment | 4,715,288 | 4,154,762 | - | - |
| Unabsorbed tax losses | (2,976,513) | (1,826,782) | - | - |
| Unabsorbed capital allowances | (1,738,775) | (2,327,980) | - | - |
| | - | - | - | - |
| Deferred tax assets not recognised: | | | | |
| Unabsorbed tax losses | (3,418,662) | (3,418,740) | - | - |
| Unabsorbed capital allowances | (4,093,758) | (1,869,894) | - | - |
| Unabsorbed reinvestment allowances | (5,452,588) | (5,452,588) | - | - |
| Others | (236,115) | (211,181) | - | - |
| | (13,201,123) | (10,952,403) | - | - |

23. TAXATION (CONT'D)

The gross amount and future availability of unabsorbed tax losses and unabsorbed capital allowances which are available to be carried forward for set-off against future taxable income are estimated as follows:

| | GROUP | |
|-----------------------------------|-------------------|-------------------|
| | 2024 RM | 2023 RM |
| Unabsorbed tax losses | 7,151,442 | 7,638,055 |
| Unabsorbed capital allowances | 17,090,633 | 10,527,041 |
| Unabsorbed reinvestment allowance | 10,969,255 | 10,969,255 |
| | 35,211,330 | 29,134,351 |

In respect of the Group's Malaysian entities, the unabsorbed tax losses can be carried forward for ten (10) consecutive years of assessment immediately following that year of assessment ("YA") of which tax losses was incurred and this is effective from YA 2019. Unabsorbed reinvestment allowance at the end of the qualifying reinvestment allowance period of fifteen years can be carried forward for seven consecutive YAs. The unabsorbed capital allowances can be carried forward indefinitely.

In respect of the Group's Singaporean entity, unabsorbed tax losses can be carried forward indefinitely.

The unabsorbed reinvestment allowances be disregarded in YA 2045.

The unabsorbed tax losses will be disregarded in the following YAs:

| | GROUP | |
|------------|------------------|------------------|
| | 2024 RM | 2023 RM |
| YA 2028 | 850,130 | 1,100,130 |
| YA 2029 | 737,698 | 1,042,666 |
| YA 2030 | 228,236 | 548,236 |
| YA 2032 | - | 18,363 |
| YA 2033 | 48,992 | 456,267 |
| YA 2034 | 1,518,759 | 1,947,525 |
| YA 2035 | 1,222,794 | - |
| Indefinite | 2,544,833 | 2,524,868 |
| | 7,151,442 | 7,638,055 |

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24. EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year as follows:

| | GROUP | |
|------------------------------------------------------------------------------------|--------------------|--------------------|
| | 2024 | 2023 |
| | RM | RM |
| (Loss)/Profit for the financial year attributable to the owner of the Company (RM) | <u>(6,631,133)</u> | <u>4,007,689</u> |
| Weighted average number of ordinary shares in issue | <u>255,935,840</u> | <u>252,253,358</u> |
| Basic earnings per share (sen) | <u>(2.59)</u> | <u>1.59</u> |

(b) Diluted earnings per share

The diluted earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year adjusted to assume conversion of all dilutive potential ordinary shares arising from shares granted to employees as follows:

| | GROUP | |
|------------------------------------------------------------------------------------|--------------------|--------------------|
| | 2024 | 2023 |
| | RM | RM |
| (Loss)/Profit for the financial year attributable to the owner of the Company (RM) | <u>(6,631,133)</u> | <u>4,007,689</u> |
| Weighted average number of ordinary shares in issue | <u>255,935,840</u> | <u>252,253,358</u> |
| Adjustment for dilutive effect of ESOS | <u>9,862,695</u> | <u>10,827,276</u> |
| | <u>265,798,535</u> | <u>263,080,634</u> |
| Diluted earnings per share (sen) | <u>(2.49)</u> | <u>1.52</u> |

25. CAPITAL COMMITMENTS

| | GROUP | |
|--------------------------------------------------------------------|----------------|------------------|
| | 2024 | 2023 |
| | RM | RM |
| Contracted but not provided for - Property, plant and equipment | <u>960,600</u> | <u>1,475,895</u> |

26. SEGMENTAL INFORMATION

Segmental information is presented in respect of the Group's business and geographical segments. The primary format and business segments are based on the Group's management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms.

Segment results and assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business Segments

The operations of the Group are organised into the following main business segments:

- | | | |
|-------|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) | Precision engineering and plastic injection moulding | Involved in the design and manufacture of high precision moulds, tools and dies, jigs and fixtures, plastic injection moulding and sub-assembly. |
| (ii) | Precision machining and stamping | Involved in manufacture and sale of precision machining and stamping components for the telecommunication, industrial sensors, switches, electronic equipment and other industries and the provision of related specialised engineering services. |
| (iii) | Paper products | Involved in manufacture and sales of corrugated and honeycomb boards and paper products used in packaging and shipping, furniture and fittings, point of purchase display and exhibition. |
| (iv) | Electronic manufacturing services | Involved in manufacture, assembly and sales of electronic components and devices, lithium-ion batteries and printed circuit board. |

Performance is measured based on segment operating profit as included in the internal management reports that are reviewed by the Group's Managing Director (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current financial year and previous financial year.

Segment assets are based on all assets allocated to each reportable segment other than deferred tax assets and current tax assets.

Segment liabilities are based on all liabilities allocated to each reportable segment other than deferred tax liabilities and current tax liabilities.

Capital expenditure comprises mainly additions to property, plant and equipment and right-of use assets directly attributable to the segment.

26. **SEGMENTAL INFORMATION (CONT'D)**

| | Precision Engineering and Precision Plastic Injection Moulding RM | Precision Machining and Stamping RM | Paper Products RM | Electronic Manufacturing Services RM | Total RM |
|----------------------------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------------|-------------------------|-----------------------------------------------|--------------------|
| 2024 | | | | | |
| Revenue | | | | | |
| - total segment | 17,156,874 | 44,160,676 | 29,779,667 | 13,873,889 | 104,971,106 |
| - inter-segment | (3,603,500) | (1,016,527) | (40,078) | (1,766,406) | (6,426,511) |
| Revenue from external customer | 13,553,374 | 43,144,149 | 29,739,589 | 12,107,483 | 98,544,595 |
| Segment profits | (1,978,171) | (906,768) | 698,395 | 5,685,494 | 3,498,950 |
| Segment assets | 37,596,449 | 42,871,148 | 27,891,059 | 58,301,995 | 166,660,651 |
| Segment liabilities | 8,864,951 | 72,226,266 | 24,876,561 | 4,019,302 | 109,987,080 |
| Other information: | | | | | |
| - capital expenditure | 932,508 | 4,865,860 | 480,954 | 143,502 | 6,422,824 |
| - depreciation and amortisation | 1,771,116 | 2,891,964 | 1,078,047 | 1,252,972 | 6,994,099 |
| - non-cash expenses (other than depreciation and amortisation) | 1,910,297 | 2,273,721 | 551,326 | 46,161 | 4,781,505 |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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26. SEGMENTAL INFORMATION (CONT'D)

| | Precision Engineering and Precision Plastic Injection Moulding RM | Precision Machining and Stamping RM | Paper Products RM | Electronic Manufacturing Services RM | Total RM |
|----------------------------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------------|-------------------------|-----------------------------------------------|-------------|
| 2023 | | | | | |
| Revenue | | | | | |
| - total segment | 28,824,759 | 39,838,004 | 22,176,843 | 2,331,952 | 93,171,558 |
| - inter-segment | (4,034,295) | (269,719) | (76) | - | (4,304,090) |
| Revenue from external customer | 24,790,464 | 39,568,285 | 22,176,767 | 2,331,952 | 88,867,468 |
| Segment profits | 5,942,222 | 5,098,585 | 811,042 | 361,770 | 12,213,619 |
| Segment assets | 39,957,188 | 89,982,538 | 29,708,993 | 2,132,265 | 161,780,984 |
| Segment liabilities | 9,843,853 | 69,485,395 | 26,361,752 | 1,526,888 | 107,217,888 |
| Other information: | | | | | |
| - capital expenditure | 1,385,283 | 20,878,479 | 2,423,689 | - | 24,687,451 |
| - depreciation and amortisation | 1,743,334 | 3,016,406 | 771,749 | 26,332 | 5,557,821 |
| - non-cash expenses (other than depreciation and amortisation) | 13 | - | 292 | - | 305 |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2024

26. SEGMENTAL INFORMATION (CONT'D)

Notes to segmental information:

Reconciliations of reportable segment profit, assets and liabilities are set out below:-

| | 2024 RM | 2023 RM |
|-------------------------------------------------------|--------------------|--------------------|
| Profit or Loss | | |
| Total profit for reportable segments | 3,498,950 | 12,213,619 |
| Finance costs | (2,948,379) | (1,658,283) |
| Finance income | 210,658 | 151,059 |
| Depreciation and amortisation | (6,994,099) | (5,557,821) |
| Unallocated corporate expenses | (989,805) | (640,560) |
| Elimination of inter-segment profit | (748,159) | (246,406) |
| | <u>(7,970,834)</u> | <u>4,261,608</u> |
| Segment assets | | |
| Total reportable segments | 166,660,651 | 161,780,984 |
| Other non-reportable segments | 296,449 | 128,578 |
| Elimination of inter-segment transactions or balances | (5,492,722) | (3,112,112) |
| Current tax assets | 507,026 | 642,715 |
| Deferred tax assets | 405,123 | 470,328 |
| | <u>162,376,527</u> | <u>159,910,493</u> |
| Segment liabilities | | |
| Total reportable segments | 109,987,080 | 107,217,888 |
| Other non-reportable segments | 176,042 | 79,504 |
| Elimination of inter-segment transactions or balances | (21,582,695) | (23,548,378) |
| Deferred tax liabilities | 171,500 | 750,088 |
| | <u>88,751,927</u> | <u>84,499,102</u> |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2024

26. SEGMENTAL INFORMATION (CONT'D)

Geographical segments

Revenue is based on the country in which the customers are located.

Non-current assets below consist of property, plant and equipment and right-of-use assets which are determined according to the country where these assets are physically located.

| | Revenue | | Non-current assets | |
|--------------------------|-------------------|-------------------|--------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| Malaysia | 54,354,723 | 49,677,236 | 91,771,430 | 93,689,556 |
| Vietnam | 24,086,885 | 21,882,349 | 3,220,566 | 1,845,974 |
| United States of America | 6,062,616 | 7,456,901 | 17,729 | 115,371 |
| Europe | 184,436 | 330,036 | - | - |
| Others | 13,855,935 | 9,520,946 | 405,972 | 292,264 |
| | 98,544,595 | 88,867,468 | 95,415,697 | 95,943,165 |

27. RELATED PARTY DISCLOSURES

(i) Identity of related parties

The Group has related party relationship with its subsidiaries, key management personnel and the following party:

| Related parties | Relationship |
|----------------------------|---------------------------------------------------------------------------|
| TT Khor Holdings Sdn. Bhd. | : Certain directors of a subsidiary have substantial financial interests. |

(ii) Related Parties Transactions

Related party transactions have been entered into at terms agreed between the parties during the financial year.

| | GROUP | | COMPANY | |
|-----------------------------------|----------------|------------------|------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| Transaction with subsidiaries | | | | |
| - Management fee | - | - | 722,777 | 722,662 |
| - Interest income | - | - | 156,969 | 118,593 |
| - Loan granted | - | - | 1,080,000 | 1,700,000 |
| Transactions with a related party | | | | |
| - Debt capitalisation | 805,700 | - | - | - |
| - Interest (expense)/income | (55,134) | 13,808 | - | - |
| - Loan advanced | - | 1,100,000 | - | - |
| | 805,700 | 1,100,000 | 1,080,000 | 1,700,000 |

27. RELATED PARTY DISCLOSURES (CONT'D)

(iii) Compensation of key management personnel

Key management personnel are those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly.

The remuneration of the directors and other members of key management during the financial year is as follows:

| | GROUP | | COMPANY | |
|------------------------------------------------|------------------|------------|----------------|------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Directors' fees | 221,258 | 171,500 | 221,258 | 171,500 |
| Salaries, bonus, allowances and other benefits | 3,570,137 | 3,116,845 | 167,311 | 132,576 |
| EPF | 363,971 | 314,705 | - | - |
| Share based payment expenses | 1,354,909 | 80,945 | 87,659 | 11,363 |
| Benefits-in-kind | 13,550 | - | - | - |
| | 5,523,825 | 3,683,995 | 476,228 | 315,439 |
| Analysed as: | | | | |
| - Directors of the Company | 3,844,588 | 2,595,628 | 476,228 | 315,439 |
| - Directors of the subsidiaries | 1,252,910 | 899,205 | - | - |
| - Key management personnel | 426,327 | 189,162 | - | - |
| | 5,523,825 | 3,683,995 | 476,228 | 315,439 |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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28. FINANCIAL INSTRUMENTS

28.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as FVTPL and amortised cost ("AC").

| | Carrying amount RM | FVTPL RM | AC RM |
|----------------------------------------------------------------------------|--------------------------|------------------|-------------------|
| GROUP | | | |
| 2024 | | | |
| Financial assets | | | |
| Other investments | 2,388,900 | 2,388,900 | - |
| Trade and other receivables, excluding prepayments | 20,056,473 | - | 20,056,473 |
| Cash and bank balances | 15,225,771 | - | 15,225,771 |
| | 37,671,144 | 2,388,900 | 35,282,244 |
| Financial liabilities | | | |
| Trade and other payables, excluding non-refundable deposit and SST payable | 27,672,957 | - | 27,672,957 |
| Borrowings | 56,722,186 | - | 56,722,186 |
| | 84,395,143 | - | 84,395,143 |
| 2023 | | | |
| Financial assets | | | |
| Other investments | 2,329,307 | 2,329,307 | - |
| Trade and other receivables, excluding prepayments | 18,330,745 | - | 18,330,745 |
| Cash and bank balances | 13,723,644 | - | 13,723,644 |
| | 34,383,696 | 2,329,307 | 32,054,389 |
| Financial liabilities | | | |
| Trade and other payables, excluding non-refundable deposit and SST payable | 21,847,393 | - | 21,847,393 |
| Borrowings | 58,921,480 | - | 58,921,480 |
| | 80,768,873 | - | 80,768,873 |

28. FINANCIAL INSTRUMENTS (CONT'D)

28.1 Categories of financial instruments (Cont'd)

The table below provides an analysis of financial instruments categorised as FVTPL and amortised cost ("AC").
(cont'd)

| | Carrying amount RM | AC RM |
|----------------------------------------------------|-----------------------------------|------------------|
| COMPANY | | |
| 2024 | | |
| Financial asset | | |
| Trade and other receivables, excluding prepayments | 4,981,966 | 4,981,966 |
| Cash and bank balances | 262,322 | 262,322 |
| | 5,244,288 | 5,244,288 |
| Financial liabilities | | |
| Trade and other payables, excluding SST payable | 1,694,670 | 1,694,670 |
| 2023 | | |
| Financial asset | | |
| Trade and other receivables, excluding prepayments | 5,784,532 | 5,784,532 |
| Cash and bank balances | 97,489 | 97,489 |
| | 5,882,021 | 5,882,021 |
| Financial liabilities | | |
| Trade and other payables, excluding SST payable | 1,777,606 | 1,777,606 |

28.2 Financial risk management policies

The Group's activities are exposed to a variety of market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Corporate management continuously monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors of the Group are responsible for setting the objectives, the underlying principles of financial risk management for the Group and establishing the policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits, in accordance with the objectives and underlying principles approved.

The following sections provide details on the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management policies (Cont'd)

The Group's policies in respect of the major areas of treasury activity are as follows:

(i) **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the fair value of future cash flows of financial instruments of the Group. The Group is not subject to significant exposure to other price risk.

(a) **Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates.

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD"), Vietnamese Dong ("VND") and India Rupee ("IND"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currencies exchange rates against RM, with all other variables held constant, of the Group's profit before tax and equity. A 5% strengthening of the RM against the USD at the end of the reporting period would have decreased profit before tax and equity by the amount shown below and a corresponding weakening would have an equal but opposite effect.

| | GROUP 2024 RM |
|----------------------------------|------------------------------|
| USD | |
| - Increased in loss before tax | 547,653 |
| - Decreased in equity | 416,216 |
| | 2023 RM |
| USD | |
| - Decreased in profit before tax | 508,820 |
| - Decreased in equity | 386,703 |

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management policies (Cont'd)

(i) Market risk (cont'd)

(b) Interest rate risk

The Group's and the Company's fixed rate instruments are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's floating rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Group's and the Company's interest-bearing financial instruments based on their carrying amount as at the end of the reporting period are as follows:

| | GROUP | | COMPANY | |
|----------------------------------|-------------------|-------------------|------------|------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Fixed rate instruments | | | | |
| Financial assets | 6,765,172 | 4,183,954 | 3,947,580 | 3,555,860 |
| Financial liabilities | <u>49,404,452</u> | <u>49,223,226</u> | <u>-</u> | <u>-</u> |
| Variable rate instruments | | | | |
| Financial liabilities | <u>7,317,734</u> | <u>9,698,254</u> | <u>-</u> | <u>-</u> |

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

An increase of 25 basis point at the end of the reporting period would have decreased profit before tax and equity by **RM18,294** (2023: RM24,246) and **RM13,903** (2023: RM18,427) respectively. A corresponding decrease would have an equal but opposite effect. This analysis assumes that all other variables remain constant.

(ii) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial assets should a counterparty default on its obligations.

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries. The Company also provides financial guarantee to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management policies (Cont'd)

(ii) Credit risk (cont'd)

(a) Concentration risk

The Group's major concentration of credit risk relates to the amounts owing by **1 customer** (2023: 2 customers), the balances of each is equal to or more than 10% of total balances constituting **10%** (2023: 33%) of the Group's trade receivables (including related parties) at the end of the reporting period.

In addition, the Group also determines concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables (including related parties) at the end of the reporting period is as follows:-

| | 2024 | | 2023 | |
|--------------------------|-------------------|--------------|-------------------|--------------|
| | RM | % | RM | % |
| By Country: | | | | |
| Malaysia | 10,716,234 | 59.0 | 9,135,892 | 54.7 |
| Vietnam | 3,853,238 | 21.0 | 3,994,895 | 23.9 |
| United States of America | 3,536,225 | 19.0 | 1,571,252 | 9.4 |
| Other countries | 156,230 | 1.0 | 1,996,608 | 12.0 |
| | 18,261,927 | 100.0 | 16,698,647 | 100.0 |

(b) Maximum exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provide to its subsidiaries as disclosed under the 'Maturity Analysis' of item (iii) below, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

(c) Assessment of impairment losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an ongoing basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group assesses whether any of the financial assets at amortised cost are credit impaired.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management policies (Cont'd)

(ii) Credit risk (cont'd)

(c) Assessment of impairment losses (cont'd)

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:-

- significant financial difficult of the receivable;
- a breach of contract, such as a default or past due event;
- restructuring of a debt in relation to the receivable's financial difficulty;
- it is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considered a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 90 to 120 days past due.

Trade Receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables (including related parties).

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables (including related parties) have been grouped based on shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis. The expected loss rates are based on the payment profiles of sales over **36 months** (2023: 24 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Group has identified the GDP annual growth rate and unemployment rate as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumption as compared to the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management policies (Cont'd)

(ii) Credit risk (cont'd)

(c) Assessment of impairment losses (cont'd)

The ageing analysis of trade receivables (including related parties) of the Group as at the end of the reporting period is as follows:

| | Gross RM | Allowance for ECL RM | Net RM |
|----------------------------|-------------------|----------------------------|-------------------|
| GROUP | | | |
| 2024 | | | |
| Not past due | 12,680,740 | - | 12,680,740 |
| 1 to 30 days past due | 4,233,008 | - | 4,233,008 |
| 31 to 60 days past due | 741,689 | - | 741,689 |
| 61 to 90 days past due | 265,752 | - | 265,752 |
| More than 90 days past due | 340,738 | - | 340,738 |
| | <u>5,581,187</u> | - | <u>5,581,187</u> |
| | <u>18,261,927</u> | - | <u>18,261,927</u> |
| 2023 | | | |
| Not past due | 10,704,131 | - | 10,704,131 |
| 1 to 30 days past due | 4,997,999 | - | 4,997,999 |
| 31 to 60 days past due | 638,967 | - | 638,967 |
| 61 to 90 days past due | 339,330 | - | 339,330 |
| More than 90 days past due | 18,220 | - | 18,220 |
| | 5,994,516 | - | 5,994,516 |
| Individually impaired | 76,394 | (76,394) | - |
| | <u>16,775,041</u> | <u>(76,394)</u> | <u>16,698,647</u> |

The Group believes that no impairment allowance is necessary in respect of its trade receivables (include related party) because the probability of default by these trade receivables were negligible.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management policies (Cont'd)

(ii) Credit risk (cont'd)

(c) Assessment of impairment losses (cont'd)

Other receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables, subsidiaries and related parties.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

No expected credit loss is recognised on other receivables as it is negligible.

Intercompany balances

The Company applies the 3-stage general approach to measuring expected credit losses for all intercompany balances. The Company considers amount owing by subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances. For amount owing that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the amount owing are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2024

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management policies (Cont'd)

(ii) Credit risk (cont'd)

(c) Assessment of impairment losses (cont'd)

Intercompany balances (cont'd)

For amount owing that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

| | Gross RM | Lifetime loss Allowance RM | Net RM |
|--------------------------------------|------------------|----------------------------------|------------------|
| COMPANY | | | |
| 2024 | | | |
| Significant increased in credit risk | | | |
| - Trade balance | 136,863 | - | 136,863 |
| - Non-trade balance | 4,845,103 | - | 4,845,103 |
| Credit impaired | | | |
| - Non-trade balance | 3,998,968 | (3,998,968) | - |
| | <u>8,980,934</u> | <u>(3,998,968)</u> | <u>4,981,966</u> |
| 2023 | | | |
| Low credit risk | | | |
| - Non-trade balance | 5,089,270 | - | 5,089,270 |
| Significant increased in credit risk | | | |
| - Trade balance | 97,593 | - | 97,593 |
| - Non-trade balance | 597,669 | - | 597,669 |
| Credit impaired | | | |
| - Non-trade balance | 3,998,968 | (3,998,968) | - |
| | <u>9,783,500</u> | <u>(3,998,968)</u> | <u>5,784,532</u> |

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management policies (Cont'd)

(ii) Credit risk (cont'd)

(c) Assessment of impairment losses (cont'd)

Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowance were identified based on 12-month expected credit losses.

(iii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents and undrawn credit facilities to meet their working capital requirements.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period and are based on undiscounted contractual payments:

| | Carrying amount RM | Contractual cash flows RM | Within one year RM | More than one year and less than five years RM | More than five years RM |
|----------------------------------------------------------------------------|-----------------------|------------------------------|-----------------------|---------------------------------------------------|----------------------------|
| GROUP | | | | | |
| 2024 | | | | | |
| Non-derivative financial liabilities | | | | | |
| Borrowings | 56,722,186 | 74,331,865 | 12,702,447 | 19,054,762 | 42,574,656 |
| Lease liabilities | 2,125,147 | 7,422,439 | 2,536,618 | 4,885,821 | - |
| Trade and other payables, excluding non-refundable deposit and SST payable | 27,672,957 | 27,672,957 | 27,672,957 | - | - |
| Total undiscounted financial liabilities | 86,520,290 | 109,427,261 | 42,912,022 | 23,940,583 | 42,574,656 |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2024

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management policies (Cont'd)

(iii) Liquidity risk (cont'd)

| | Carrying amount RM | Contractual cash flows RM | Within one year RM | More than one year and less than five years RM | More than five years RM |
|----------------------------------------------------------------------------|-----------------------|------------------------------|-----------------------|---------------------------------------------------|----------------------------|
| GROUP | | | | | |
| 2023 | | | | | |
| <i>Non-derivative financial liabilities</i> | | | | | |
| Borrowings | 58,921,480 | 78,291,324 | 12,151,530 | 21,176,699 | 44,963,095 |
| Lease liabilities | 1,101,381 | 1,274,671 | 758,359 | 516,312 | - |
| Trade and other payables, excluding non-refundable deposit and SST payable | 21,847,393 | 21,847,393 | 21,847,393 | - | - |
| Total undiscounted financial liabilities | 81,870,254 | 101,413,388 | 34,757,282 | 21,693,011 | 44,963,095 |

| | Carrying amount RM | Contractual cash flows RM | Within one year RM |
|--|-----------------------|------------------------------|-----------------------|
|--|-----------------------|------------------------------|-----------------------|

COMPANY

2024

Non-derivative financial liabilities

| | | | |
|-------------------------------------------------|------------------|-------------------|-------------------|
| Trade and other payables, excluding SST payable | 1,694,670 | 1,694,670 | 1,694,670 |
| * Financial guarantee | - | 51,103,771 | 51,103,771 |
| Total undiscounted financial liabilities | 1,694,670 | 52,798,441 | 52,798,441 |

2023

Non-derivative financial liabilities

| | | | |
|-------------------------------------------------|------------------|-------------------|-------------------|
| Trade and other payables, excluding SST payable | 1,777,606 | 1,777,606 | 1,777,606 |
| * Financial guarantee | - | 55,787,003 | 55,787,003 |
| Total undiscounted financial liabilities | 1,777,606 | 57,564,609 | 57,564,609 |

* This has been included for illustration purpose only as the related financial guarantees have not crystallised as at the end of the reporting period.

29. FAIR VALUE MEASUREMENT

The carrying amounts of the Group's and the Company's financial assets (other than other investments) and financial liabilities as at the end of the reporting period approximate their fair values due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amount of the non-current portion of hire purchase is reasonable approximation of fair values due to the insignificant impact of discounting.

29.1 Financial assets that are measured at fair value on a recurring basis

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy:

| | Level 1 RM | Level 2 RM | Level 3 RM | Total RM | Carrying amount RM |
|------------------------|---------------|---------------|---------------|-------------|--------------------------|
| GROUP | | | | | |
| 2024 | | | | | |
| Financial asset | | | | | |
| Other investment | 2,388,900 | - | - | 2,388,900 | 2,388,900 |
| 2023 | | | | | |
| Financial asset | | | | | |
| Other investment | 2,329,307 | - | - | 2,329,307 | 2,329,307 |

Level 1 fair value

Level 1 fair value of the other investments is derived by reference to their quoted market prices in active markets at the end of reporting period.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between level 1, 2 and 3 during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2024

30. CAPITAL MANAGEMENT

The Group's and the Company's capital management objectives are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders, as well as maintaining an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, issue new shares, returns of capital to shareholders, sell assets to reduce debt, or secure additional debts.

The capital structure of the Group consists of total borrowings and total equity, comprising issued share capital, reserves and non-controlling interests, as follows:-

| | GROUP | |
|------------------|-------------------|-------------------|
| | 2024 RM | 2023 RM |
| Total borrowings | <u>56,722,186</u> | <u>58,921,480</u> |
| Total equity | <u>73,624,600</u> | <u>75,411,391</u> |
| * Gearing ratio | <u>0.77</u> | <u>0.78</u> |

* The gearing ratio of the Company is not presented as the Company does not have debt.

31. EMPLOYEE SHARE OPTION SCHEME ("ESOS")

The Employee Share Option Scheme of the Company ("ESOS") is governed by the ESOS By-Laws and was approved by shareholders on 25 February 2016. The ESOS is to be in force for a period of 5 years effective from 1 March 2016.

On 13 August 2020, the Board of Directors of the Company approved the extension of the duration of the ESOS for an extended period of 5 years from 1 March 2021 to 28 February 2026.

On 20 April 2023, the Company has granted additional options to its eligible directors and employees to subscribe for new ordinary shares in the Company under the ESOS for a period from 19 May 2023 to 28 February 2026.

The details of the outstanding share options granted to the Group's employees and directors and its exercise price are as follows:

2024

| Grant date | Exercise price RM | ----- Number of share options over ordinary shares ----- | | | | Balance at 31.3.2024 |
|------------|----------------------|----------------------------------------------------------|------------|-------------|-----------|-------------------------|
| | | Balance at 1.4.2023 | Granted | Exercised | Forfeited | |
| 5.8.2020 | 0.125 | 11,889,600 | - | (4,654,200) | (460,000) | 6,775,400 |
| 20.4.2023 | 0.605 | - | 30,114,000 | - | (780,000) | 29,334,000 |

31. EMPLOYEE SHARE OPTION SCHEME (“ESOS”) (CONT'D)

2023

| Grant date | Exercise price RM | ----- Number of share options over ordinary shares ----- | | | | Balance at 31.3.2023 |
|------------|----------------------|----------------------------------------------------------|---------|-------------|-----------|-------------------------|
| | | Balance at 1.4.2022 | Granted | Exercised | Forfeited | |
| 5.8.2020 | 0.125 | 14,511,600 | - | (2,190,000) | (432,000) | 11,889,600 |

The fair value of the share options granted was estimated at the grant date using Black-Scholes model, taking into account the terms and conditions upon which the instruments were granted.

The following table are inputs relevant in deriving the fair value of the share options:

| | 20.4.2023 | 5.8.2020 |
|--------------------------------------------|-----------|----------|
| Grant date | | |
| Fair value (RM) | 0.32 | 0.06 |
| Weighted average ordinary share price (RM) | 0.67 | 0.14 |
| Exercise price of share option (RM) | 0.605 | 0.13 |
| Expected volatility (%) | 70.00 | 57.73 |
| Expected life (years) | 3.00 | 5.00 |
| Risk free rate (%) | 3.05 | 1.74 |

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

The main features of the ESOS are as follows:-

- (i) Eligible person is those who has been confirmed in service on the date of offer, who is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings. If the eligible person is an employee, the eligible person has to be employed full time by and on the payroll of any entity in the Group and fulfills any other criteria and/or falls within such category as may be determined by the ESOS Committee from time to time.

In respect of a director, the director must be at least 18 years of age and is not an undischarged bankruptcy nor subject to any bankruptcy proceedings. The director has to be appointed as a director of the Company or any entity in the Group for such period as may be determined by the ESOS Committee prior to and up to the date of offer and fulfills any other criteria and/or falls within such category as may be determined by the ESOS Committee from time to time.

- (ii) The maximum allowable allotments for the directors was approved by the shareholders of the Company at the Extraordinary General Meeting. The ESOS Committee may, in its absolute discretion, waives any of the conditions of the eligibility as set out above. The eligibility and number of ESOS options to be offered to an eligible person shall be at the sole and absolute discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding.
- (iii) The aggregate number of ordinary shares to be issued under the ESOS shall not exceed 30% of the issued and paid-up ordinary share capital of the Company at any given time.

31. EMPLOYEE SHARE OPTION SCHEME (“ESOS”) (CONT'D)

- (iv) The ESOS shall be in force for a period of 5 years from 1 March 2016. The Company may, if the Board of Directors deems fit and upon the recommendation of the ESOS Committee, extend the ESOS for another period of up to a maximum of 5 years commencing from the day after the date of expiration of the original 5 years period.
- (v) The option price is to be determined by the Board of Directors upon recommendation from the ESOS Committee based on the volume weighted average market price (“VWAMP”) of the Company’s ordinary shares for the 5 market days immediately preceding the date of offer with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Malaysia Securities Berhad or any other relevant authorities from time to time over the duration of the ESOS.
- (vi) The option granted to an option holder under the ESOS is exercisable by the option holder only during the employment with the Group or tenor as director of any entity of the Group and within the option exercise period to be determined by the ESOS Committee subject to any maximum limit as may be determined by the Board of Directors under the By-Laws of the ESOS and any other terms and conditions as may be contained in the option certificate.
- (vii) The new ordinary shares arising from the exercise of the ESOS option will, upon allotment and issuance, rank pari passu in all respects with the existing ordinary shares of the Company, save and except that the new ordinary shares will not be entitled to any dividends, rights, allotments and/or other form of distribution which may be declared, made or paid to the shareholders, the entitlement date of which precedes the date of allotment and issuance of such new ordinary shares.

32. INVESTMENT PROPERTIES

| | GROUP | |
|---------------------------------------|--------------|-------------|
| | 2024 | 2023 |
| | RM | RM |
| At cost | | |
| Balance at beginning | - | 738,392 |
| Disposals | - | (738,392) |
| | <u>-</u> | <u>-</u> |
| Balance at end | <u>-</u> | <u>-</u> |
| Less: Accumulated Depreciation | | |
| Balance at beginning | - | 144,844 |
| Current charge | - | 7,390 |
| Disposals | - | (152,234) |
| | <u>-</u> | <u>-</u> |
| Balance at end | <u>-</u> | <u>-</u> |
| Carrying amount | <u>-</u> | <u>-</u> |

SHARE BUY-BACK STATEMENT

1. DISCLAIMER STATEMENT

This Share Buy-back Statement ("Statement") of YBS International Berhad ("YBS" or "the Company") is important and if you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused this Statement prior to its issuance, takes no responsibility for the contents of the Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Statement.

2. RATIONALE FOR THE PROPOSED RENEWAL FOR AUTHORITY FOR YBS INTERNATIONAL BERHAD TO PURCHASE UP TO TEN PERCENT (10%) OF ITS OWN ORDINARY SHARES OF YBS ("PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE")

The Proposed Renewal of Share Buy-back Mandate, if exercised, will enable the Company to utilise its financial resources not immediately required for use, to purchase its own ordinary shares ("YBS Shares" or "Shares"). The Proposed Renewal of Share Buy-back Mandate may enhance the earnings per share ("EPS") which may have a positive impact on the market price of YBS Shares. Other potential advantages of the Proposed Renewal of Share Buy-back Mandate to the Company and its shareholders are as follows:

- (a) To allow the Company to take preventive measures against speculation particularly when YBS Shares are undervalued which would in turn stabilise the market price of YBS Shares and hence, enhance investors' confidence;
- (b) To allow the Company flexibility in achieving the desired capital structure, in terms of the debt and equity composition, and the size of equity; and
- (c) The Shares purchased pursuant to the Proposed Renewal of Share Buy-back Mandate ("Purchased Shares") may be held as treasury shares and distributed to shareholders as dividends and/or resold in the open market with the intention of realising a potential capital gain if the Purchased Shares are resold at price(s) higher than their purchase price(s).

3. RETAINED PROFITS

Based on the audited financial statements of YBS as at 31 March 2024, the retained profits of the Company stood at RM13,300,901. The maximum amount of funds to be allocated for the proposed share buy-back shall not exceed the aggregate amount of the retained profits of the Company.

4. SOURCES OF FUNDING

The Proposed Renewal of Share Buy-back Mandate will be funded by internally generated funds and/or external borrowings. The ratio of internally generated funds and/or external borrowings to be utilised will only be determined later depending on the availability of internally generated funds and bank borrowings at the time of the purchase(s), actual number of YBS Shares to be purchased and other cost factors.

In the event external borrowings are used for the purchase of YBS Shares, the Board of Directors of the Company ("Board") will ensure that the Company has the capability to repay the borrowings and that such repayment will not have a material effect on the Company's cash flows. Any funds utilised by YBS for the Proposed Renewal of Share Buy-back Mandate will consequentially reduce the resources available to YBS and its subsidiaries ("YBS Group" or "the Group") for its operations by a corresponding amount for the YBS Shares bought back.

SHARE BUY-BACK STATEMENT (CONT'D)

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS AND PERSONS CONNECTED TO THEM

Save for the inadvertent increase in the percentage shareholdings and/or voting rights of the shareholders in the Company as a consequence of the Proposed Renewal of Share Buy-back Mandate, none of the Directors and/or Substantial Shareholders of YBS nor persons connected to them has any interest, direct or indirect, in the Proposed Renewal of Share Buy-back Mandate and, if any, the resale of the treasury shares.

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders of YBS as at 26 June 2024, the effects of the Proposed Renewal of Share Buy-back Mandate on the shareholdings of the Directors and/or Substantial Shareholders of YBS are as follows:

Minimum Scenario: Assuming full issuance of ESOS Options but none are exercised and YBS implements the Proposed Renewal of Share Buy-back Mandate in full.

Directors' Shareholdings

| | Before the Proposed Renewal of Share Buy-back Mandate | | | | After the Proposed Renewal of Share Buy-back Mandate | | | |
|-------------------------------|-------------------------------------------------------|-----------------------------------|-------------------------|-----------------------------------|------------------------------------------------------|-----------------------------------|-------------------------|-----------------------------------|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of shares | % of share capital ^(a) | No. of shares | % of share capital ^(a) | No. of shares | % of share capital ^(b) | No. of shares | % of share capital ^(b) |
| Directors | | | | | | | | |
| Dato' Dr. Mohd Sofi bin Osman | - | - | - | - | - | - | - | - |
| Yong Chan Cheah [®] | 1,567,800 | 0.60 | 36,247,579 [^] | 13.80 | 1,567,800 | 0.66 | 36,247,579 [^] | 15.33 |
| Yong Swee Chuan [®] | 1,567,800 | 0.60 | 36,247,578 [#] | 13.80 | 1,567,800 | 0.66 | 36,247,578 [#] | 15.33 |
| Poa Mei Ling | 1,200,000 | 0.46 | - | - | 1,200,000 | 0.51 | - | - |
| Low Hee Chung | 380,000 | 0.14 | - | - | 380,000 | 0.16 | - | - |
| Gor Siew Yeng | 304,000 | 0.12 | - | - | 304,000 | 0.13 | - | - |
| Dato' Jimmy Ong Chin Keng | - | - | - | - | - | - | - | - |
| Yong Li-Xiang | - | - | - | - | - | - | - | - |

Substantial Shareholders' Shareholdings

| | Before the Proposed Renewal of Share Buy-back Mandate | | | | After the Proposed Renewal of Share Buy-back Mandate | | | |
|-----------------------------|-------------------------------------------------------|-----------------------------------|-------------------------|-----------------------------------|------------------------------------------------------|-----------------------------------|-------------------------|-----------------------------------|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of shares | % of share capital ^(a) | No. of shares | % of share capital ^(a) | No. of shares | % of share capital ^(b) | No. of shares | % of share capital ^(b) |
| Substantial Shareholders | | | | | | | | |
| Cheah Jik Capital Sdn. Bhd. | 36,247,579 | 13.80 | - | - | 36,247,579 | 15.33 | - | - |
| Indowang Sdn. Bhd. | 36,247,578 | 13.80 | - | - | 36,247,578 | 15.33 | - | - |
| Koh Pei San ⁽¹⁾ | - | - | 36,247,578 [#] | 13.80 | - | - | 36,247,578 [#] | 15.33 |

Person Connected to Directors and/or Substantial Shareholders' Shareholdings

| | Before the Proposed Renewal of Share Buy-back Mandate | | | | After the Proposed Renewal of Share Buy-back Mandate | | | |
|---------------------------------------------------------------|-------------------------------------------------------|-----------------------------------|---------------|-----------------------------------|------------------------------------------------------|-----------------------------------|---------------|-----------------------------------|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of shares | % of share capital ^(a) | No. of shares | % of share capital ^(a) | No. of shares | % of share capital ^(b) | No. of shares | % of share capital ^(b) |
| Person connected to Directors and/or Substantial Shareholders | | | | | | | | |
| Yong Swee Fung ⁽²⁾ | 99,100 | 0.04 | - | - | 99,100 | 0.04 | - | - |
| Yong Swee Khang (deceased) ⁽²⁾ | 20,000 | 0.01 | - | - | 20,000 | 0.01 | - | - |
| Fong Meng Kok ⁽³⁾ | 10,000 | * | - | - | 10,000 | * | - | - |

SHARE BUY-BACK STATEMENT (CONT'D)

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS AND PERSONS CONNECTED TO THEM (CONT'D)

Maximum Scenario: Assuming full issuance and exercise of the balance 58,130,840 ESOS Options (being 30% of the total number of issued shares of YBS) and YBS implements the Proposed Renewal of Share Buy-back Mandate in full.

Directors' Shareholdings

| Directors | Before the Proposed Renewal of Share Buy-back Mandate | | | | After the Proposed Renewal of Share Buy-back Mandate | | | |
|-------------------------------|-------------------------------------------------------|-----------------------------------|-------------------------|-----------------------------------|------------------------------------------------------|-----------------------------------|-------------------------|-----------------------------------|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of shares | % of share capital ^(c) | No. of shares | % of share capital ^(c) | No. of shares | % of share capital ^(d) | No. of shares | % of share capital ^(d) |
| Dato' Dr. Mohd Sofi bin Osman | - | - | - | - | - | - | - | - |
| Yong Chan Cheah [@] | 6,737,200 | 2.10 | 36,247,579 [^] | 11.30 | 6,737,200 | 2.33 | 36,247,579 [^] | 12.55 |
| Yong Swee Chuan [@] | 6,737,200 | 2.10 | 36,247,578 [#] | 11.30 | 6,737,200 | 2.33 | 36,247,578 [#] | 12.55 |
| Poa Mei Ling | 2,600,000 | 0.81 | - | - | 2,600,000 | 0.90 | - | - |
| Low Hee Chung | 2,000,000 | 0.62 | - | - | 2,000,000 | 0.69 | - | - |
| Gor Siew Yeng | 1,500,000 | 0.47 | - | - | 1,500,000 | 0.52 | - | - |
| Dato' Jimmy Ong Chin Keng | 150,000 | 0.05 | - | - | 150,000 | 0.05 | - | - |
| Yong Li-Xiang | 900,000 | 0.28 | - | - | 900,000 | 0.31 | - | - |

Substantial Shareholders' Shareholdings

| Substantial Shareholders | Before the Proposed Renewal of Share Buy-back Mandate | | | | After the Proposed Renewal of Share Buy-back Mandate | | | |
|-----------------------------|-------------------------------------------------------|-----------------------------------|-------------------------|-----------------------------------|------------------------------------------------------|-----------------------------------|-------------------------|-----------------------------------|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of shares | % of share capital ^(c) | No. of shares | % of share capital ^(c) | No. of shares | % of share capital ^(d) | No. of shares | % of share capital ^(d) |
| Cheah Jik Capital Sdn. Bhd. | 36,247,579 | 11.30 | - | - | 36,247,579 | 12.55 | - | - |
| Indowang Sdn. Bhd. | 36,247,578 | 11.30 | - | - | 36,247,578 | 12.55 | - | - |
| Koh Pei San ⁽¹⁾ | - | - | 36,247,578 [#] | 11.30 | - | - | 36,247,578 [#] | 12.55 |

Person Connected to Directors and/or Substantial Shareholders' Shareholdings

| Person Connected to Directors and/or Substantial Shareholders | Before the Proposed Renewal of Share Buy-back Mandate | | | | After the Proposed Renewal of Share Buy-back Mandate | | | |
|---------------------------------------------------------------|-------------------------------------------------------|-----------------------------------|---------------|-----------------------------------|------------------------------------------------------|-----------------------------------|---------------|-----------------------------------|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of shares | % of share capital ^(c) | No. of shares | % of share capital ^(c) | No. of shares | % of share capital ^(d) | No. of shares | % of share capital ^(d) |
| Yong Swee Fung ⁽²⁾ | 99,100 | 0.03 | - | - | 99,100 | 0.03 | - | - |
| Yong Swee Khang (deceased) ⁽²⁾ | 20,000 | 0.01 | - | - | 20,000 | 0.01 | - | - |
| Fong Meng Kok ⁽³⁾ | 10,000 | * | - | - | 10,000 | * | - | - |

Notes:

- (a) Based on existing total number of issued shares of 262,662,945 Ordinary Shares (Treasury Shares is nil).
- (b) Based on the total number of issued shares of 236,396,651 Ordinary Shares without exercising of ESOS Options and Proposed Renewal of Share Buy-back Mandate is carried out in full and all the shares purchased are held as treasury shares.
- (c) Based on the total number of issued shares of 320,793,785 Ordinary Shares, with the assumption that the Directors/ Substantial Shareholders/ Persons Connected to them (who is also an eligible person under the Company's ESOS) fully exercised their ESOS Options:
- Yong Chan Cheah - 7,259,800 ESOS Options
 - Yong Swee Chuan - 7,259,800 ESOS Options
 - Low Hee Chung - 2,000,000 ESOS Options
 - Gor Siew Yeng - 1,500,000 ESOS Options
 - Dato' Jimmy Ong Chin Keng - 150,000 ESOS Options
 - Poa Mei Ling - 1,400,000 ESOS Options
 - Yong Li-Xiang - 900,000 ESOS Options
- (d) Based on total number of issued shares of 288,714,407 Ordinary Shares, after the full exercised of ESOS Options and the Proposed Renewal of Share Buy-back Mandate is carried out in full and all the shares purchased are held as treasury shares.
- @ Also substantial shareholder of the Company.
- (1) Also Person Connected to Yong Swee Chuan
- (2) Person Connected to Yong Chan Cheah and Yong Swee Chuan
- (3) Person Connected to Gor Siew Yeng.
- [^] Deemed Interested by virtue of his substantial shareholdings in Cheah Jik Capital Sdn. Bhd.
- [#] Deemed Interested by virtue of his/her substantial shareholdings in Indowang Sdn. Bhd.
- ^{*} Less than 0.01.

SHARE BUY-BACK STATEMENT (CONT'D)

6. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE

6.1 Potential Advantages of the Proposed Renewal of Share Buy-back Mandate

The potential advantages of the Proposed Renewal of Share Buy-back Mandate are as set out under Section 2 of this Statement.

6.2 Potential Disadvantages of the Proposed Renewal of Share Buy-back Mandate

The potential disadvantages of the Proposed Renewal of Share Buy-back Mandate to the Company and its shareholders are as follows:

- (a) The Proposed Renewal of Share Buy-back Mandate will reduce the financial resources of the Group and may result in the Group foregoing interest income and/or better investment opportunities that may emerge in the future; and
- (b) It would also result in the reduction of financial resources available for distribution to shareholders in the immediate future.

Nevertheless, the Board is of the view that the Proposed Renewal of Share Buy-back Mandate is not expected to have any potential material disadvantages to the shareholders of the Company as well as the Group as it will be implemented only after careful consideration of the financial resources of the Group and the resultant impact on the shareholders of the Company.

7. MATERIAL FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE

The material financial effects of the Proposed Renewal of Share Buy-back Mandate on the share capital, consolidated Net Tangible Assets ("NTA"), working capital, EPS, dividends and the substantial shareholders' shareholdings in YBS (assuming that the Company purchases up to a maximum of 32,079,378 YBS Shares representing approximately ten percent (10%) of the enlarged total number of issued shares with the full exercise of ESOS options) are set out below:

7.1 Share Capital

The effects of the Proposed Renewal of Share Buy-back Mandate on the total number of issued shares of YBS are as follows:

Minimum Scenario: Assuming full issuance of ESOS Options but none are exercised and YBS implements the Proposed Renewal of Share Buy-back Mandate in full.

| | No. of Shares |
|---------------------------------------------------------------------------------------------------------------|----------------------|
| As at 26 June 2024 | 262,662,945 |
| Proposed Renewal of Share Buy-back Mandate (assuming all YBS Shares purchased are held as treasury shares) | (26,266,294) |
| Resultant total number of issued Shares | 236,396,651 |

SHARE BUY-BACK STATEMENT (CONT'D)

7. MATERIAL FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE (CONT'D)

7.1 Share Capital (Cont'd)

Maximum Scenario: Assuming full issuance and exercise of the balance 58,130,840 ESOS Options (being 30% of the total number of issued shares of YBS) and YBS implements the Proposed Renewal of Share Buy-back Mandate in full.

| | No. of shares |
|---------------------------------------------------------------------------------------------------------------|----------------------|
| As at 26 June 2024 | 262,662,945 |
| Balance Shares to be issued pursuant to the ESOS (assuming full exercise of the ESOS Option) | 58,130,840 |
| Enlarged total number of issued Shares | 320,793,785 |
| Proposed Renewal of Share Buy-back Mandate (assuming all YBS Shares purchased are held as treasury shares) | (32,079,378) |
| Resultant total number of issued Shares | 288,714,407 |

The Proposed Renewal of Share Buy-back Mandate will not have any effect on the total number of issued Shares of the Company as Shares purchased are to be retained as treasury shares. However, while the Purchased Shares are held as treasury shares, Companies Act 2016 states that the rights attached to them as to voting, dividends and participation in other distributions or otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares for any purposes including without limiting the generality of this provision, the provisions of any laws or requirements of the Constitution of the Company or the ACE Market Listing Requirements of Bursa Securities on substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

7.2 NTA

The effects of the Proposed Renewal of Share Buy-back Mandate on the consolidated NTA of the Group would depend on the purchase price and number of Purchased Shares, the effective funding cost to YBS to finance the Purchased Shares or any loss in interest income to YBS.

The Proposed Renewal of Share Buy-back Mandate will reduce the consolidated NTA per Share at the time of purchase if the purchase price exceeds the consolidated NTA per Share and conversely will increase the consolidated NTA per Share at the time of purchase if the purchase price is less than the consolidated NTA per Share.

Should the Purchased Shares be resold, the consolidated NTA will increase if the Company realises a capital gain from the resale, and vice-versa. However, the quantum of the increase in NTA will depend on the selling prices of the Purchased Shares and the number of Purchased Shares resold.

7.3 Working Capital

The Proposed Renewal of Share Buy-back Mandate is likely to reduce the working capital of the Group, the quantum of which would depend on the purchase prices of the Purchased Shares, the number of Purchased Shares and any associated costs incurred in making the purchases. The working capital of the Group will increase when the Company sell the Purchased Shares. The quantum of the increase in working capital will depend on the selling price of the Purchased Shares and the number of Purchased Shares resold.

7. MATERIAL FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE (CONT'D)

7.4 Earnings per Share

The effects of the Proposed Renewal of Share Buy-back Mandate on the earnings of the Group will depend on, inter-alia, the purchase prices of the Shares, the number of Purchased Shares, the effective funding cost to YBS to finance the purchase of Shares or any loss in interest income to the Group and the proposed treatment of the Purchased Shares.

If the Purchased Shares are to be retained as treasury shares or cancelled subsequently, the number of Shares applied in the computation of the EPS will be reduced, and accordingly, all other things being equal, the Proposed Renewal of Share Buy-back Mandate will have a positive impact on the EPS of the Group.

In the event the Purchased Shares are resold subsequently, depending on the price at which the said Shares are resold, the Proposed Renewal of Share Buy-back Mandate may have a positive effect on the EPS of the Group if there is a gain on the disposal and vice-versa.

7.5 Dividends

Assuming the Proposed Renewal of Share Buy-back Mandate is implemented in full, dividends would be paid on the remaining total number of issued Shares of YBS (excluding the Shares already purchased). The Proposed Renewal of Share Buy-back Mandate may have an impact on the Company's dividend payment for the financial year ending 31 March 2025 as it would reduce the cash available which may otherwise be used for dividend payment. Nonetheless, the treasury shares purchased may be distributed as dividends to shareholders of the Company, if the Company so decides.

Any dividends to be declared by YBS in the future would depend on, inter-alia, the profitability and cash flow position of the Group.

7.6 Substantial Shareholders

Shares bought back by the Company under the Proposed Renewal of Share Buy-back Mandate that are retained as treasury shares will result in a proportionate increase in the percentage shareholdings of the Substantial Shareholders in the Company. Please refer to Section 5 of this Statement for further details.

8. IMPLICATIONS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE RELATING TO THE RULES OF TAKE-OVERS, MERGER AND COMPULSORY ACQUISITIONS (THE "RULES")

Based on the Company's total number of issued Shares and the shareholdings of the substantial shareholders and/or parties acting in concert as at 26 June 2024, none of the substantial shareholders and/or parties acting in concert with them will be required to make a mandatory general offer in the event of the full implementation of Proposed Renewal of Share Buy-back Mandate.

YBS has no intention for the Proposed Renewal of Share Buy-back Mandate to trigger the obligation to undertake a mandatory general offer under the Malaysian Code on Take-Overs and Mergers 2016 ("Code") by any of its substantial shareholders and/or parties acting in concert with them.

The Board is aware of the requirements of the Code and will be mindful of the requirements when making any purchase of YBS Shares pursuant to the Proposed Renewal of Share Buy-back Mandate

SHARE BUY-BACK STATEMENT (CONT'D)

9. PURCHASES, RESOLD, TRANSFER AND CANCELLATION MADE BY THE COMPANY OF ITS OWN SHARES IN THE PRECEDING TWELVE (12) MONTHS

The Company does not hold any treasury shares and has not purchased, resold, transferred or cancelled any Shares in the preceding 12 months.

10. PROPOSED INTENTION OF THE DIRECTORS TO DEAL WITH THE SHARES SO PURCHASED

The Proposed Renewal of Share Buy-back Mandate, if exercised, shall be dealt with in the following manner:

- to cancel the Shares so purchased; or
- to retain the Shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of the Bursa Securities or transfer for the purpose of or under ESOS or as part of purchase consideration; or
- retain part of the Shares so purchased as treasury shares and cancel the remainder.

11. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of YBS Shares traded on Bursa Securities for the preceding twelve (12) months are as follows:

| | High RM | Low RM |
|-------------|------------|-----------|
| 2023 | | |
| July | 0.800 | 0.625 |
| August | 0.755 | 0.605 |
| September | 0.635 | 0.565 |
| October | 0.615 | 0.560 |
| November | 0.680 | 0.590 |
| December | 0.720 | 0.640 |
| 2024 | | |
| January | 0.780 | 0.660 |
| February | 0.755 | 0.670 |
| March | 0.805 | 0.715 |
| April | 0.840 | 0.745 |
| May | 0.830 | 0.765 |
| June | 0.815 | 0.755 |

Last transacted market price as at 22 July 2024 (being the latest practical date prior to the printing of this Statement) was RM0.930.

(Source: : investing.com)

SHARE BUY-BACK STATEMENT (CONT'D)

12. PUBLIC SHAREHOLDING SPREAD

As at 26 June 2024, the public shareholding spread of the Company was approximately 70.27%. In this regard, the Board undertakes to purchase Shares only to the extent that the public shareholding spread of YBS shall not fall below 25% of the total number of issued Shares of the Company (excluding treasury shares) at all times pursuant to the Proposed Renewal of Share Buy-back Mandate, in accordance with Rule 8.02(1) and Rule 12.14 of the ACE Market Listing Requirements of Bursa Securities.

13. DIRECTORS' STATEMENT

After taking into consideration all relevant factors, the Board is of the opinion that the Proposed Renewal of Share Buy-back Mandate described above is in the best interest of the Company.

14. DIRECTORS' RECOMMENDATION

The Board recommends that you vote in favour of the ordinary resolution to be tabled at the forthcoming Twenty-Second Annual General Meeting ("AGM") to give effect to the Proposed Renewal of Share Buy-back Mandate.

15. RESPONSIBILITY STATEMENT

This Statement has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang during normal office hours from Monday to Friday (except for public holidays) from the date of this Statement up to and including the date of the forthcoming AGM:

- (a) The Constitution of YBS; and
- (b) The audited consolidated financial statements of YBS for the past two (2) financial year ended 31 March 2023 and 31 March 2024 respectively.

17. FURTHER INFORMATION

There is no other information concerning the Proposed Renewal of Share Buy-back Mandate as shareholders and other professional advisers would reasonably require and expect to find in this Statement for the purpose of making informed assessment as to the merits of approving the Proposed Renewal of Share Buy-back Mandate and the extent of the risks involved in doing so.

LIST OF PROPERTIES

AS AT 31 MARCH 2024

| Location | Description | Area (sq.m.) | Existing Use | Tenure/ Age of Building | Carrying Amount as at 31.03.2024 RM'000 | Date of Acquisition/ Revaluation |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|--------------|--------------------|----------------------------------------------------------|-----------------------------------------|-------------------------------------|
| H.S.(D) 55923, Lot No. PT 830, Mukim 13, District of Seberang Perai Tengah, Pulau Pinang. Bearing postal address: 978 (also known as PT830), Lorong Perindustrian Bukit Minyak 20, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Pulau Pinang. | Industrial land erected with factory cum office buildings and ancillary structures | 40,604 | Factory | Leasehold for 48 years expiring on 19.05.2068 / 17 years | 47,947 | 02.10.2020 |
| Lot Lain-lain PTK No. 4, HSD No. 1103 Mukim of Kesang, District of Ledang, State of Johor. Bearing postal address: K27 Jalan Perindustrian, Kawasan Perindustrian Tanjung Agas, 84000 Muar, Johor Darul Takzim. | Industrial land erected with factory cum office buildings and ancillary structures | 24,281 | Factory/ Office | Leasehold for 60 years expiring on 31.05.2081/ 30 years | 6,673 | 11.10.2006 |
| H.S.(D) 55914, P.T. 907, Mukim 13, Daerah Seberang Perai Tengah, Pulau Pinang. Bearing postal address: Plot 171, Mukim 13, Jalan Perindustrian Bukit Minyak, Kawasan Perindustrian Bukit Minyak, 14000 Bukit Mertajam, Seberang Perai Tengah, Pulau Pinang. | Industrial land erected with factory cum office buildings and ancillary structures | 4,063 | Factory/ Office | Leasehold for 60 years expiring on 23.04.2068/ 15 years | 3,796 | 18.07.2011 |
| Lot No. 5491 held under GM361, Mukim 13, Seberang Perai Tengah, Pulau Pinang. Bearing postal address: 35, Lorong Seri Juru 3, Taman Seri Juru, 14100 Simpang Ampat, Pulau Pinang. | Double storey semi-detached house | 232 | Employee hostel | Freehold/ 20 years | 247 | 30.11.2011 |
| Lot No. 4787 held under GRN 150425, Mukim 13, Seberang Perai Tengah, Pulau Pinang. Bearing postal address: 17, Lorong Seri Juru 1, Taman Seri Juru, 14100 Simpang Ampat, Pulau Pinang. | Double storey semi-detached house | 232 | Employee hostel | Freehold/ 20 years | 241 | 16.06.2010 |

ANALYSIS OF SHAREHOLDINGS

AS AT 26 JUNE 2024

| | |
|-------------------------------|-----------------------------|
| Total Number of Issued Shares | 262,662,945 |
| Class of Shares | Ordinary shares |
| Voting Right | One vote per ordinary share |
| Number of Shareholders | 2,772 |

DISTRIBUTION OF SHAREHOLDINGS

| Category | No. of Shareholders | % of Shareholders | No. of Shares Held | % of Issued Share Capital |
|-------------------------------|---------------------|-------------------|--------------------|---------------------------|
| Less than 100 shares | 33 | 1.19 | 1,326 | 0.00 |
| 100 to 1,000 shares | 329 | 11.87 | 160,612 | 0.06 |
| 1,001 to 10,000 shares | 1,230 | 44.37 | 7,378,770 | 2.81 |
| 10,001 to 100,000 shares | 905 | 32.65 | 31,729,880 | 12.08 |
| 100,001 to 13,133,147 shares* | 271 | 9.78 | 150,897,200 | 57.45 |
| 13,133,148 shares and above** | 4 | 0.14 | 72,495,157 | 27.60 |
| Total | 2,772 | 100.00 | 262,662,945 | 100.00 |

* less than 5% of issued shares

** 5% and above of issued shares

LIST OF TOP THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS

| No. | Name of Shareholders | No. of Shares Held | % |
|-----|-------------------------------------------------------------------------------------------------------------------------------|--------------------|------|
| 1 | Indowang Sdn. Bhd. | 22,800,000 | 8.68 |
| 2 | Cheah Jik Capital Sdn. Bhd. | 22,800,000 | 8.68 |
| 3 | Cheah Jik Capital Sdn. Bhd. | 13,447,579 | 5.12 |
| 4 | Indowang Sdn. Bhd. | 13,447,578 | 5.12 |
| 5 | DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Qualifier: Deutsche Trustees Malaysia Berhad for Hong Leong Dana Makmur | 11,154,200 | 4.25 |
| 6 | Anucia A/P Muthucumar | 6,304,000 | 2.40 |
| 7 | Citigroup Nominees (Asing) Sdn Bhd Qualifier: Exempt An for Citibank New York (Norges Bank 14) | 4,107,500 | 1.56 |
| 8 | Reubendra A/L Jeganathan | 3,800,000 | 1.45 |
| 9 | Eastbay Capital Sdn. Bhd. | 3,430,000 | 1.31 |
| 10 | DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Qualifier: Deutsche Trustees Malaysia Berhad for Hong Leong Dana Maa'Rof | 3,424,300 | 1.30 |
| 11 | Maybank Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account For Cha Weay Chia | 3,008,900 | 1.15 |
| 12 | Citigroup Nominees (Asing) Sdn Bhd Qualifier: UBS AG | 2,987,300 | 1.14 |
| 13 | Ng Yoke Hin | 2,901,800 | 1.10 |
| 14 | Rakesh A/L Jeganathan | 2,602,000 | 0.99 |
| 15 | HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Manulife Investment Al-Faid (4389) | 2,512,000 | 0.96 |
| 16 | Alliancegroup Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account For Ang Poh Kok (7001680) | 2,406,800 | 0.92 |
| 17 | Alliancegroup Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account For Teoh Boon Thiam (7000745) | 2,084,300 | 0.79 |
| 18 | Hong Yeam Wah | 2,000,000 | 0.76 |
| 19 | Maybank Nominees (Tempatan) Sdn Bhd Qualifier: Mtrustee Berhad For Phillip Pearl Fund (UT-PM-PPF) (419471) | 1,973,500 | 0.75 |
| 20 | Musharaka Tech Venture Sdn Bhd | 1,800,000 | 0.69 |

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 26 JUNE 2024

LIST OF TOP THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS (CONT'D)

| No. | Name of Shareholders | No. of Shares Held | % |
|-----|------------------------------------------------------------------------------------------------------------|--------------------|------|
| 21 | RHB Capital Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account For Chee Hong Leong (CEB) | 1,700,000 | 0.65 |
| 22 | Cartaban Nominees (Asing) Sdn Bhd Qualifier: Exempt An For Barclays Capital Securities Ltd (SBL/PB) | 1,699,000 | 0.65 |
| 23 | Gan Joe Yee | 1,600,000 | 0.61 |
| 24 | Yong Chan Cheah | 1,567,800 | 0.60 |
| 25 | Yong Swee Chuan | 1,567,800 | 0.60 |
| 26 | NLE Electrical Engineering Sdn Bhd | 1,550,100 | 0.59 |
| 27 | RHB Capital Nominees (Tempatan) Sdn Bhd Qualifier: Lim Willie | 1,550,000 | 0.59 |
| 28 | Hong Yeam Wah | 1,500,000 | 0.57 |
| 29 | Lim Willie | 1,400,000 | 0.53 |
| 30 | Saw Hean Yeow | 1,354,300 | 0.52 |

LIST OF SUBSTANTIAL SHAREHOLDERS

| No. | Name | Direct | | Indirect | |
|-----|-----------------------------|--------------------|-------|--------------------|-------|
| | | No. of Shares Held | % | No. of Shares Held | % |
| 1. | Cheah Jik Capital Sdn. Bhd. | 36,247,579 | 13.80 | - | - |
| 2. | Indowang Sdn. Bhd. | 36,247,578 | 13.80 | - | - |
| 3. | Yong Chan Cheah | 1,567,800 | 0.60 | 36,247,579~ | 13.80 |
| 4. | Yong Swee Chuan | 1,567,800 | 0.60 | 36,247,578^ | 13.80 |
| 5. | Koh Pei San | - | - | 36,247,578^ | 13.80 |

~ Deemed interested by virtue of his substantial shareholdings in Cheah Jik Capital Sdn. Bhd.

^ Deemed interested by virtue of his/her substantial shareholdings in Indowang Sdn. Bhd.

DIRECTORS' SHAREHOLDINGS

| No. | Name | Direct | | Indirect | |
|-----|-------------------------------|--------------------|------|--------------------|-------|
| | | No. of Shares Held | % | No. of Shares Held | % |
| 1. | Yong Chan Cheah | 1,567,800 | 0.60 | 36,247,579~ | 13.80 |
| 2. | Yong Swee Chuan | 1,567,800 | 0.60 | 36,247,578^ | 13.80 |
| 3. | Poa Mei Ling | 1,200,000 | 0.46 | - | - |
| 4. | Low Hee Chung | 380,000 | 0.14 | - | - |
| 5. | Gor Siew Yeng | 304,000 | 0.12 | - | - |
| 6. | Dato' Dr. Mohd Sofi bin Osman | - | - | - | - |
| 7. | Dato' Jimmy Ong Chin Keng | - | - | - | - |
| 8. | Yong Li-Xiang | - | - | - | - |

~ Deemed interested by virtue of his substantial shareholdings in Cheah Jik Capital Sdn. Bhd.

^ Deemed interested by virtue of his/her substantial shareholdings in Indowang Sdn. Bhd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Second (“22nd”) Annual General Meeting (“AGM”) of **YBS INTERNATIONAL BERHAD** (“YBS” or “the Company”) will be convened and held at Room 5, Level 1, Ixora Hotel, 3096, Jalan Baru, Bandar Perai Jaya, 13600 Perai, Pulau Pinang, Malaysia on **Thursday, 29 August 2024 at 11:00 am** for the purpose of considering and if thought fit, passing with or without modifications, the resolutions set out in this notice:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2024 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors’ fees of up to RM300,000 to the Independent Non-Executive Directors for the period commencing one day after the 22nd AGM until the conclusion of the next AGM of the Company in 2025. **Ordinary Resolution 1**
3. To approve the payment of Directors’ benefits payable of up to RM100,000 for the period commencing one day after the 22nd AGM until the conclusion of the next AGM of the Company in 2025. **Ordinary Resolution 2**
4. To re-elect the following Directors who retire in accordance with Paragraph 102(1) of the Company’s Constitution and who, being eligible, offer themselves for re-election:
(a) Yong Swee Chuan **Ordinary Resolution 3**
(b) Dato’ Jimmy Ong Chin Keng **Ordinary Resolution 4**
5. To re-elect Poa Mei Ling who retires in accordance with Paragraph 107(2) of the Company’s Constitution and who, being eligible, offers herself for re-election. **Ordinary Resolution 5**
6. To re-appoint Grant Thornton Malaysia PLT as auditors of the Company for the financial year ending 31 March 2025 and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6**

AS SPECIAL BUSINESS

7. **RETENTION OF LOW HEE CHUNG AS INDEPENDENT NON-EXECUTIVE DIRECTOR** **Ordinary Resolution 7**
“THAT approval be and is hereby given to Low Hee Chung, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM.”
8. **RETENTION OF GOR SIEW YENG AS INDEPENDENT NON-EXECUTIVE DIRECTOR** **Ordinary Resolution 8**
“THAT approval be and is hereby given to Gor Siew Yeng, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM.”

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

AS SPECIAL BUSINESS (CONT'D)

9. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

Ordinary Resolution 9

“THAT subject to the Companies Act 2016 (“**the Act**”), the Company’s Constitution, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”) and the approvals of the relevant government or regulatory authorities, the Directors of the Company be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act to issue and allot from time to time such number of ordinary shares of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS THAT the aggregate number of ordinary shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued share capital (excluding treasury shares) of the Company for the time being.

THAT the Directors are also empowered to obtain the approval for the listing and quotation for the additional shares so issued on the Bursa Securities AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

THAT pursuant to Section 85(1) of the Act to be read together with Paragraph 62(1) of the Constitution of the Company, all new shares or other convertible securities in the Company shall, before they are issued, be first offered to such persons who are entitled to receive notices from the Company of general meetings as at the date of the offer in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled (“**Pre-emptive Rights**”).

AND THAT should this resolution be passed by the shareholders, this resolution shall have the effect of the shareholders having agreed to irrevocably waive their Pre-emptive Rights pursuant to Section 85(1) of the Act and Paragraph 62(1) of the Constitution of the Company in respect of the new shares to be issued and allotted by the Company and the issuance of such new shares of the Company will result in a dilution to their shareholding percentage in the Company. Subsequent to the passing of this resolution, if this paragraph is or is found to be in any way void, invalid or unenforceable, then this paragraph shall be ineffective to the extent of such voidness, invalidity or unenforceability and the remaining provisions of this resolution shall remain in full force and effect.

AND THAT the new shares to be issued shall, upon issuance and allotment, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.”

AS SPECIAL BUSINESS (CONT'D)

10. PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES (“PROPOSED SHARE BUY-BACK”) Ordinary Resolution 10

“THAT subject to the Act, the Company’s Constitution, the Listing Requirements and the approvals of the relevant government or regulatory authorities, the Directors of the Company be and are hereby authorised to make purchases of the Company’s shares as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:-

- (a) the aggregate number of ordinary shares which may be purchased by the Company shall not exceed ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company at any point in time of the said purchase(s);
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained earnings of the Company at the time of purchase; and
- (c) the authority conferred by this resolution will be effective immediately upon the passing of this Resolution and shall continue to be in force until:
 - (i) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time the said authority shall lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
 - (iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant government or regulatory authorities (if any).

THAT upon completion of the purchase by the Company of its own ordinary shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manner:

- (a) to cancel all the ordinary shares so purchased; or
- (b) to retain the ordinary shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of the Bursa Securities or transfer for the purpose of or under an employee share option scheme or as part of purchase consideration; or
- (c) to retain part thereof as treasury shares and cancel the remainder; or
- (d) in such other manner as Bursa Securities and such other relevant authorities may allow from time to time.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary (including executing all such documents as may be required) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the Directors may deem fit and expedient in the best interests of the Company.”

AS SPECIAL BUSINESS (CONT'D)

11. **PROPOSED GRANTING OF ESOS OPTIONS TO DATO' DR. MOHD SOFI BIN OSMAN, THE CHAIRMAN/ INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY UNDER THE COMPANY'S EMPLOYEES' SHARE OPTION SCHEME THAT WAS ESTABLISHED IN 2016 ("ESOS" OR "THE SCHEME") ("ESOS OPTIONS")** Ordinary Resolution 11

"THAT, the Company has an existing ESOS which was effective on 1 March 2016 with further extension from 1 March 2021 to 28 February 2026, and subject to the approvals of the relevant authorities and/ or parties (where required) being obtained, the Board be and is hereby authorised at any time and from time to time during the duration of the ESOS, to offer and grant such number of ESOS Options to Dato' Dr. Mohd Sofi Bin Osman, the Chairman/ Independent Non-Executive Director of the Company, subject to the provisions of the By-Laws of the ESOS ("By-Laws"), provided always that:

- (a) he must not participate in the deliberation or discussion of his own allocation, as well as that of the persons connected with him, under the ESOS; and
- (b) not more than 10% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of shares made available under the ESOS shall be allocated to him, if he, either singly or collectively through persons connected with him (as defined in the Listing Requirements), holds 20% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued shares of the Company (excluding treasury shares, if any),

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws and any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

AND THAT, the Board be further authorised to issue and allot such number of shares arising from the exercise of the ESOS Options under the ESOS, from time to time, to the abovementioned person."

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

AS SPECIAL BUSINESS (CONT'D)

12. **PROPOSED GRANTING OF ESOS OPTIONS TO POA MEI LING, AN EXECUTIVE DIRECTOR OF THE COMPANY, UNDER THE COMPANY'S ESOS** Ordinary Resolution 12

"THAT, the Company has an existing ESOS which was effective on 1 March 2016 with further extension from 1 March 2021 to 28 February 2026, and subject to the approvals of the relevant authorities and/ or parties (where required) being obtained, the Board be and is hereby authorised at any time and from time to time during the duration of the ESOS, to offer and grant such number of ESOS Options to Poa Mei Ling, the Executive Director of the Company, subject to the provisions of the By-Laws, provided always that:

- (a) she must not participate in the deliberation or discussion of her own allocation, as well as that of the persons connected with her, under the ESOS; and
- (b) not more than 10% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of shares made available under the ESOS shall be allocated to her, if she, either singly or collectively through persons connected with her (as defined in the Listing Requirements), holds 20% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued shares of the Company (excluding treasury shares, if any),

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws and any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

AND THAT, the Board be further authorised to issue and allot such number of shares arising from the exercise of the ESOS Options under the ESOS, from time to time, to the abovementioned person."

13. To transact any other business for which due notice shall have been given.

By Order of the Board

Ong Tze-En

MAICSA 7026537 | SSM PC No. 202008003397

Company Secretary

Penang, 31 July 2024

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes:

Appointment of Proxy

1. A member entitled to attend, participate, speak and vote is entitled to appoint up to two (2) proxies to attend, participate, speak and vote instead of him/her. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy. A proxy may but need not be a member.
2. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
3. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing, or if the member is a corporation, shall either be executed under the corporation's common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.
4. For a proxy to be valid, the Proxy Form duly completed must be deposited at the Poll Administrator's office at Mega Corporate Services Sdn. Bhd. at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia or emailed to mega-shareg@megacorp.com.my, not less than forty-eight (48) hours before the time for holding the meeting PROVIDED that in the event the member duly executes the Proxy Form but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her proxy, provided always that the rest of the Proxy Form, other than the particulars of the proxy have been duly completed by the member(s). For those who have emailed the Proxy Form, please submit the original document at any time before the time appointed for holding the meeting or to the registration staff on the meeting day for the Company's records.
5. A member of the Company is permitted to give the Company notice of termination of a person's authority to act as proxy not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof. The notice of termination must be in writing and be deposited at the Registered Office of the Company, 170-09-01 Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang.
6. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors ("ROD") as at 23 August 2024 and only a Depositor whose name appears on such ROD shall be eligible to attend this meeting or appoint proxy to attend and/or vote on his/her behalf.

Explanatory Notes:

1. Ordinary Resolutions 1 and 2 on Directors' fees and benefits payable

Directors' fees and benefits payable have been reviewed by the Remuneration Committee ("RC") and the Board of Directors ("Board") which recognise that the Directors' fees and benefits payable are in the best interest of the Company. Directors' fees are solely for the Independent Non-Executive Directors ("INEDs"). The amount also includes contingency sum to cater for unforeseen circumstances such as the appointment of any additional INEDs, additional unscheduled meetings of Board and Board Committees (collectively, the Nominating Committee ("NC"), RC and Audit, Sustainability and Risk Committee ("ASRC")) and/or for the formation of additional Board Committees. Details of Directors' fees and benefits payable for the financial year ended 31 March 2024 are enumerated under the Corporate Governance Overview Statement in the Annual Report 2024. The relevant Directors' fees and benefits payable will be paid to the Directors upon completion of service by the said Directors. This approval shall continue to be in force until the conclusion of the next AGM of the Company in 2025.

Explanatory Notes (Cont'd):

2. Ordinary Resolutions 3, 4 and 5 on re-election of Directors

Information on the Directors standing for re-election under Ordinary Resolutions 3, 4 and 5 are set out under Profile of Directors in the Annual Report 2024. The retiring Directors had abstained from deliberation and decision on their own eligibility to stand for re-election at meetings of the NC and Board, as applicable. The retiring Directors do not have any conflict of interest with the Company and its subsidiaries ("the Group"). The Board approved the recommendations from the NC and is supportive of the re-election of the retiring Directors based on the justifications below:

Yong Swee Chuan is the Executive Director and Chief Engineering Officer of the Group. He is the co-founder of Oriental Fastech Manufacturing Sdn. Bhd, the wholly-owned subsidiary of YBS. He specialises in the engineering of computer-aided manufacturing turning, computer numerical control turning and stamping machines.

Dato' Jimmy Ong Chin Keng is an INED of the Company. He also chairs the NC. He has fulfilled the requirements on independence as set out in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"). He has extensive experience and knowledge in the fields of accounting, finance, corporate finance, manufacturing and property development. He has demonstrated his objectivity through his proactive engagements during meetings of the Board and Board Committees by sharing valuable, relevant, independent and impartial insights, views and opinions on issues tabled for discussion. He also exercised due care and carried out his professional duties proficiently and effectively.

Poa Mei Ling was appointed as Executive Director of the Company on 01 January 2024. She joined YBS Group since 22 December 2003 as a Group Finance Manager and is currently the General Manager in charge of precision engineering and precision plastic injection molding division of YBS Group.

3. Ordinary Resolutions 7 and 8 on Retention as Independent Non-Executive Directors

The proposed Ordinary Resolutions 7 and 8, if passed, will retain Low Hee Chung and Gor Siew Yeng as Independent Directors of the Company to fulfill the requirements of Rule 3.08 of the Listing Requirements and in line with the Practice 5.3 of the Malaysian Code on Corporate Governance issued by the Securities Commission on 28 April 2021.

The Board intends to retain the services of Low Hee Chung and Gor Siew Yeng who have served the Board as INEDs since their respective appointment as INED on 31 July 2013 and 01 July 2014.

The NC had evaluated the performance of the directors concerned individually especially with regards to their ability to remain independent in line with the definition of independent director in Listing Requirements. The NC is satisfied with their ability to continue to act as INED and to act in the best interest of the Company and the Group.

Key justifications to retain them as INEDs are as follows:

- (a) They have remained objective and independent in expressing their views during deliberation and decision-making of the Board and the Board Committees. Their judgement is not clouded by familiarity.
- (b) They had fulfilled the criteria on independence as prescribed by Bursa Securities and have always been able to bring elements of objectivity and impartiality that provide check and balance to the executive team.
- (c) They provided the Board with a diverse set of experience, skill and expertise.
- (d) They had carried their duties diligently and had participated actively during deliberations of both Board and Board Committees by bringing different perspectives and balanced assessment to deliberation and decision-making.
- (e) They understand the business and operations of the Group as they have been with the Company for some time. Therefore, they are able to participate effectively during meetings.

Their continuation to serve as INED will ensure that the Group will not suffer from a sudden loss of skilled and experienced directors and enable the Group to have adequate time to identify new candidates to serve as future INED.

Explanatory Notes (Cont'd):

4. Ordinary Resolution 9 on Authority to Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

This Ordinary Resolution 9, is for the purpose of granting a renewed general mandate (“General Mandate”) and if passed, will give authority to the Board to issue and allot ordinary shares up to a maximum of ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company at any time in their absolute discretion and that such authority shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 24 August 2023 and which will lapse at the conclusion of the 22nd AGM.

The General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment projects, working capital and/or acquisitions as well as to avoid any delay and cost in convening general meeting to specifically approve such an issuance of shares.

The waiver of pre-emptive rights pursuant to Section 85(1) of the Act and Paragraph 62(1) of the Company’s Constitution will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make announcement in respect thereof.

5. Ordinary Resolution 10 on Proposed Renewal of Authority for the Company to Purchase its Own Ordinary Shares

This Ordinary Resolution, if passed, will empower the Directors of the Company to exercise the power of the Company to purchase its own shares. The total number of shares purchased shall not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being. This authority will, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required to be held, whichever occurs first.

Please refer to the Statement to Shareholders in relation to Share Buy-Back as incorporated in the Annual Report 2024 for further information.

6. Ordinary Resolutions 11 and 12 on Proposed Granting of ESOS Options

The proposed Ordinary Resolutions 11 and 12, if passed, will allow the Company to offer and grant options to Dato’ Dr. Mohd Sofi Bin Osman (Chairman/ Independent Non-Executive Director of the Company) and Poa Mei Ling (Executive Director of the Company) respectively to subscribe for new ordinary shares under the ESOS and to issue and allot from time to time new ordinary shares of not more than ten percent (10%) (or such percentage as allowable by the relevant authorities) of the new shares available under the ESOS shall be allocated to him/her, if he/she, either singly or collectively through persons connected (as defined in the Listing Requirements) with him/her, holds twenty percent (20%) or more of the total number of issued shares (excluding treasury shares) of the Company.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Rule 8.29 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

No individual is standing for election as a Director at the forthcoming 22nd AGM of the Company.

PROXY FORM
TWENTY-SECOND ANNUAL GENERAL MEETING

YBS INTERNATIONAL BERHAD
 Registration No: 200201014380 (582043-K)
 (Incorporated in Malaysia)



| | |
|--------------------|-----------------|
| No. of Shares held | CDS Account No. |
| | |

I/We _____
 (Full name in Block Letters and NRIC No./Passport No./ Registration No.)

of _____ and _____
 (Address) (Tel No./Email Address)

being a Member(s) of YBS INTERNATIONAL BERHAD (the "Company"), hereby appoint

| | | |
|------------------------------|-----------------------|-------------------|
| Full Name (in Block Letters) | NRIC No./Passport No. | No. of Shares |
| | | |
| Address | Email address | % of Shareholding |
| | | |

*and/or failing him/her

| | | |
|------------------------------|-----------------------|-------------------|
| Full Name (in Block Letters) | NRIC No./Passport No. | No. of Shares |
| | | |
| Address | Email address | % of Shareholding |
| | | |

or failing him/her, the CHAIRMAN OF THE MEETING as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Twenty-Second ("22nd") Annual General Meeting ("AGM") of the Company, to be convened and held at Room 5, Level 1, Ixora Hotel, 3096, Jalan Baru, Bandar Perai Jaya, 13600 Perai, Pulau Pinang, Malaysia on Thursday, 29 August 2024 at 11:00 a.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate space(s) provided below on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

| ORDINARY RESOLUTION ("OR") | OR1 | OR2 | OR3 | OR4 | OR5 | OR6 | OR7 | OR8 | OR9 | OR10 | OR11 | OR12 |
|----------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|------|------|
| FOR | | | | | | | | | | | | |
| AGAINST | | | | | | | | | | | | |

Dated this day of 2024.

.....
 Signature of Shareholder(s)/ Common Seal

* Strike out whichever is not desired.

Notes:

1. A member entitled to attend, participate, speak and vote is entitled to appoint up to two (2) proxies to attend, participate, speak and vote instead of him/her. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy. A proxy may but need not be a member.
2. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
3. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing, or if the member is a corporation, shall either be executed under the corporation's common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.
4. For a proxy to be valid, the Proxy Form duly completed must be deposited at the Poll Administrator's office at Mega Corporate Services Sdn. Bhd. at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia or emailed to mega-sharereg@megacorp.com.my, not less than forty-eight (48) hours before the time for holding the meeting PROVIDED that in the event the member duly executes the Proxy

5. Form but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her proxy, provided always that the rest of the Proxy Form, other than the particulars of the proxy have been duly completed by the member(s). For those who have emailed the Proxy Form, please submit the original document at any time before the time appointed for holding the meeting or to the registration staff on the meeting day for the Company's records.
5. A Member of the Company is permitted to give the Company notice of termination of a person's authority to act as proxy not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof. The notice of termination must be in writing and be deposited at the Registered Office of the Company, 170-09-01 Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang.
6. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors ("ROD") as at **23 August 2024** and only a Depositor whose name appears on such ROD shall be eligible to attend this meeting or appoint proxy to attend and/or vote on his/her behalf.

Personal Data Privacy

By submitting the duly executed Proxy Form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 22nd AGM of the Company and any adjournment thereof.

Fold this flap for sealing

Then fold here

*Affix
Stamp*

Mega Corporate Services Sdn. Bhd.
Level 15-2, Bangunan Faber Imperial Court,
Jalan Sultan Ismail, 50250 Kuala Lumpur

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YBS INTERNATIONAL BHD

200201014380 (582043-K)

No. 978 (also known as PT830)
Lorong Perindustrian Bukit Minyak 20,
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14100 Simpang Ampat, Pulau Pinang Malaysia.

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