



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

Evolving with MOMENTUM



ANNUAL REPORT
2025



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EVOLVING WITH MOMENTUM

A delicate plant emerging from rich soil, encircled by a luminous white streak and accompanied by a butterfly mid-flight, forms the compelling visual centrepiece of YBS International Berhad's 2025 Annual Report. This dynamic imagery — underscored by the theme “Evolving with Momentum” — captures the essence of transformation, progress, and purposeful innovation.

The visual metaphor of metamorphosis is central to the composition: from cocoon to butterfly, it reflects YBS's continuous journey of renewal and reinvention. The butterfly, ready to take flight, symbolises the Group's emergence from each phase stronger, more agile, and aligned with future-facing strategies. The surrounding plant represents organic growth rooted in YBS's core values, while its upward trajectory signals aspiration and ambition.

A striking design detail is the white light streak that signals around the plant — not only suggesting energy and acceleration, but also echoing the arc of the YBS International Berhad logo, reinforcing brand identity in a subtle yet powerful way.



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Enclosed Proxy Form



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





CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Yong Chan Cheah
(Group Managing Director and Chief Executive Officer)

Dato' Jimmy Ong Chin Keng
(Independent Non-Executive Director)

Low Hee Chung
(Independent Non-Executive Director)

Gor Siew Yeng
(Independent Non-Executive Director)

Yong Li-Xiang
(Alternate Director to Yong Chan Cheah)

AUDIT, SUSTAINABILITY AND RISK COMMITTEE

Chairman
Dato' Jimmy Ong Chin Keng

Members
Low Hee Chung
Gor Siew Yeng

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
201906003682 (LLP0022494-LCA)
Chartered Accountants
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10050 George Town, Penang
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Fax: +604-227 9828

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

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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

PRINCIPAL BANKERS

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

DATE OF LISTING

29 July 2003

STOCK EXCHANGE LISTING

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



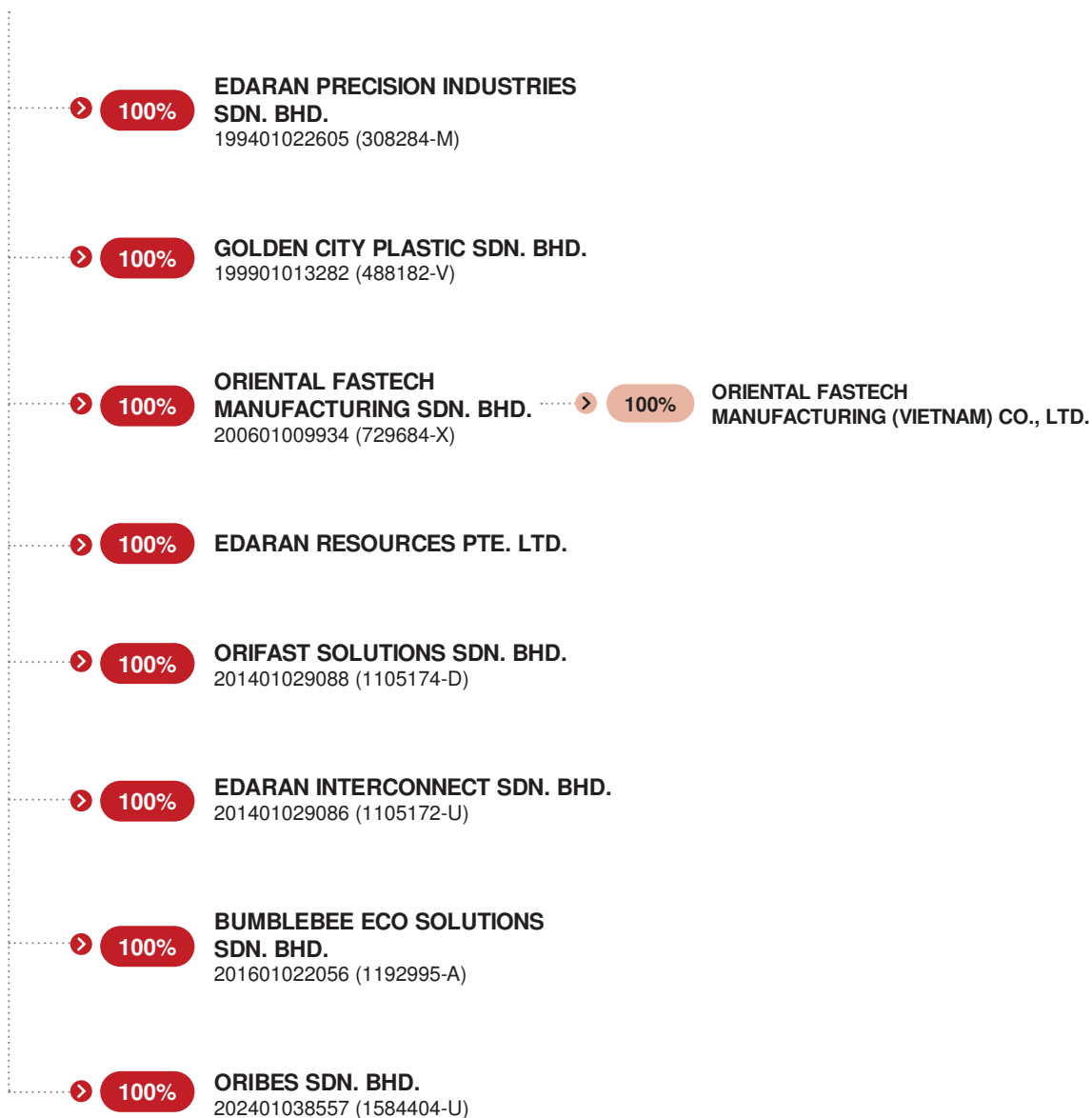
CORPORATE STRUCTURE

AS AT 25 JULY 2025



YBS INTERNATIONAL BERHAD

Registration No: 200201014380 (582043-K)





PROFILE OF DIRECTORS

DATO' DR. MOHD SOFI BIN OSMAN

Chairman/Independent Non-Executive Director

Aged 64 | **Gender** Male | **Nationality** Malaysian

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

Dato' Dr. Mohd Sofi earned his Bachelor of Science in Mechanical Engineering from University of Strathclyde in 1986. In 2006, he completed his Doctor of Business Administration from American Heritage University and was also awarded an honorary Doctor of Philosophy in Business Administration by Akamai University. His contributions to engineering were further recognised in 2019 when he received an honorary Doctor of Engineering by University Malaysia Perlis (UniMAP). In 2022, he was conferred an honorary Doctor of Philosophy (Mechanical Engineering) by Tun Hussein Onn University of Malaysia (UTHM).

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 and retired from Altera as Managing Director and Vice President of Worldwide Operations and Engineering 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 an Independent Non-Executive Director of Oppstar Berhad since June 2022. He is the Chairman of Board Technical Review Committee and Adviser to the Collaborative Research in Engineering, Science and Technology (CREST) since 2016, an agency of the Ministry of Investment, Trade & Industry Malaysia.

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 and its subsidiaries ("YBS Group" or "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 nine (9) board meetings held during the financial year.

YONG CHAN CHEAH

Group Managing Director and Chief Executive Officer

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

Mr. Yong Chan Cheah is the Group Managing Director and Chief Executive Officer of YBS Group. He was first appointed as an Executive Director of the Company on 7 June 2013 and was promoted as Group Managing Director on 27 February 2014. On 21 February 2024, he was re-designated as Group Managing Director and Chief Executive Officer. Mr. Yong graduated with a Bachelor of Business Administration from Universiti Utara Malaysia ("UUM") in 1998. He has more than two (2) decades of extensive experience in marketing and sales of metal and plastics components. He began his career in 1998 with Pentagon Engineering Sdn. Bhd. as a Contract Administrator. He moved on to 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 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 save as disclosed in the audited financial statements. 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 nine (9) board meetings held during the financial year.



PROFILE OF DIRECTORS (CONT'D)

DATO' JIMMY ONG CHIN KENG

Independent Non-Executive Director

Aged 62 | **Gender** Male | **Nationality** Malaysian

Dato' Jimmy Ong Chin Keng was appointed as Independent Non-Executive Director of YBS on 5 February 2021. He was appointed as Chairman of Nominating Committee on 8 July 2022 and assumed the role as Chairman of Audit, Sustainability and Risk Committee on 1 January 2025. He is a member of the 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 ("MIA"). He joined Emico Holdings Berhad ("Emico") in February 1993 as the Financial Controller and was promoted to Finance Director in 1996. On 23 January 2009, he was appointed as Managing Director and later re-designated as Executive Director on 1 October 2019. He assumed his current role as Non-Independent Non-Executive Director on 25 September 2022. Dato' Jimmy Ong brings with him extensive experience and expertise in accounting, finance, corporate finance, particularly within the manufacturing and property development sectors. Prior to joining Emico, he spent a decade with two (2) international accounting firms - PricewaterhouseCoopers and KPMG.

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 seven (7) out of nine (9) board meetings held during the financial year.

GOR SIEW YENG

Independent Non-Executive Director

Aged 59 | **Gender** Female | **Nationality** Malaysian

Ms. Gor Siew Yeng joined the Board of YBS as Independent Non-Executive Director 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.

Ms. Gor graduated with a LLB (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, where she primarily represented financial institutions.

In 1999, Ms. Gor left legal practice to take on the role of in-house corporate legal counsel. Over the years, she has served as senior legal counsel for both Japanese and German multinational corporations. Currently, she holds the position of Executive Director overseeing Human Resources, Legal and Compliance at a Japanese multinational company. From 2016 to 2023, she also served as a Council Member of the Federation of Malaysian Manufacturers (FMM).

Ms. Gor has no family relationship with any director and/or major shareholder of the Company as defined under the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad 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 nine (9) board meetings held during the financial year.



PROFILE OF DIRECTORS (CONT'D)

LOW HEE CHUNG

Independent Non-Executive Director

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

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

Mr. Low obtained his Bachelor in Accounting (Honours) from UUM in 1997. He is a Chartered Accountant registered with the MIA.

He began his career in auditing, working with both the international firm, PricewaterhouseCoopers and the local audit firm, Peter Chong & Co., gaining seven (7) years of experience across a wide range of industries in both the public and private sectors. Mr. Low has developed extensive expertise in taxation and audit. Since 2003, he has served as the Group Financial Controller of Alma Group of Companies.

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 nine (9) board meetings held during the financial year.

YONG LI-XIANG

Alternate Director to Yong Chan Cheah

Aged 26 | **Gender** Male | **Nationality** Malaysian

Mr. Yong Li-Xiang was appointed as Alternate Director to Mr. Yong Chan Cheah, Group Managing Director and Chief Executive Officer of YBS, on 1 September 2023. He was the Deputy Chief Operating Officer at Orifast Solutions Sdn. Bhd., a subsidiary of YBS Group from 2023 to May 2024. He is currently the Executive Director of certain subsidiaries of YBS Group.

Mr. Yong Li-Xiang earned 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. In February 2022, he began his career in YBS Group as Product Engineer where he has been actively involved in managing the New Product Introduction (NPI) process.

Mr. Yong is the son of Mr. Yong Chan Cheah. He is also the nephew of Mr. Yong Swee Chuan and Madam Koh Pei San. He does not have any conflict of interest with YBS Group save as disclosed in the audited financial statements. 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

Low Maan Teong

Chief Operating Officer

Aged 54 | **Gender** Male | **Nationality** Malaysian

Mr. Low Maan Teong joined YBS International Berhad ("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.

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 and there is no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year.



5-YEAR FINANCIAL HIGHLIGHTS

	FINANCIAL YEAR ENDED 31 MARCH				
	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Revenue	63,130	79,509	88,867	98,545	118,521
Profit/(Loss) before tax	3,129	7,115	4,262	(7,971)	(9,446)
Net profit/(loss) for the year	2,339	6,192	3,165	(7,884)	(10,897)
Net profit/(loss) attributable to owners of the Company	2,197	6,168	4,008	(6,631)	(10,088)
Total equity attributable to owners of the Company	61,946	69,472	73,909	72,595	136,168
Total assets	106,737	133,112	159,910	162,377	224,751

SHARE INFORMATION

Basic earnings/(loss) per share (sen)	0.91	2.49	1.59	(2.59)	(3.74)
Diluted earnings/(loss) per share (sen)	0.89	2.36	1.52	(2.49)	(3.67)
Net asset per share (RM)	0.25	0.28	0.29	0.28	0.46

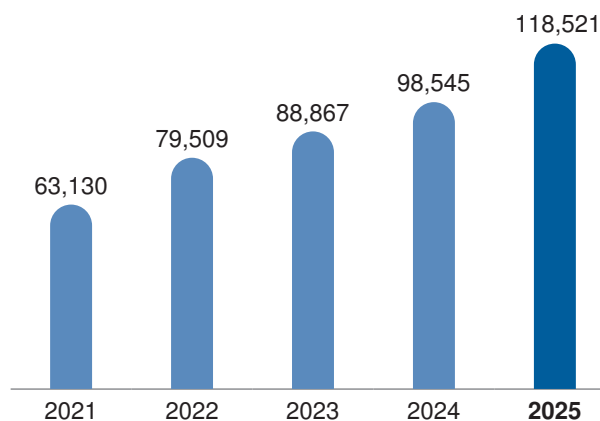
FINANCIAL RATIOS

Profit/(loss) before tax margin	5.0%	8.9%	4.8%	(8.1%)	(8.0%)
Net profit/(loss) margin	3.7%	7.8%	3.6%	(8.0%)	(9.2%)
Return on equity attributable to owners of the Company	3.5%	8.9%	5.4%	(9.1%)	(7.4%)
Return on total assets	2.2%	4.7%	2.0%	(4.9%)	(4.8%)
Revenue growth rate	(6.8%)	25.9%	11.8%	10.9%	20.3%

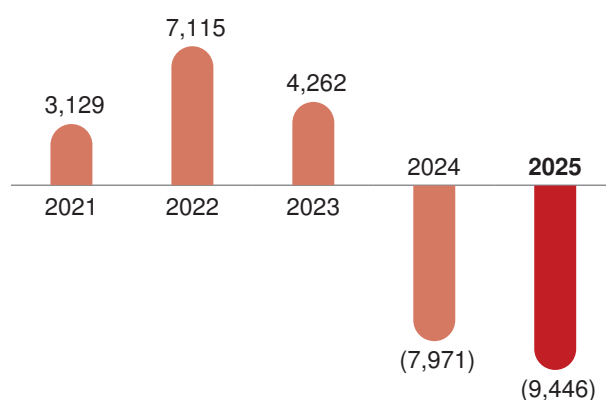


5-YEAR FINANCIAL HIGHLIGHTS (CONT'D)

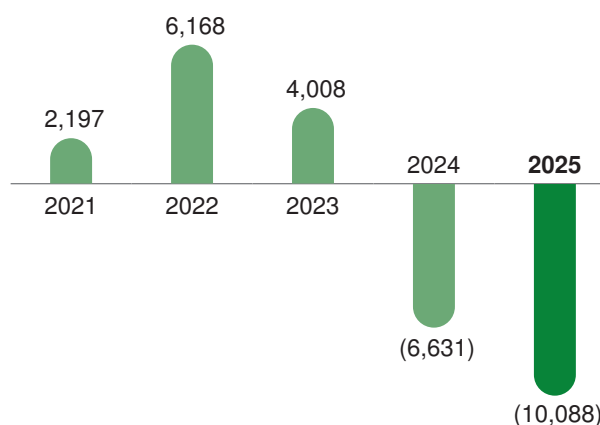
REVENUE (RM'000)



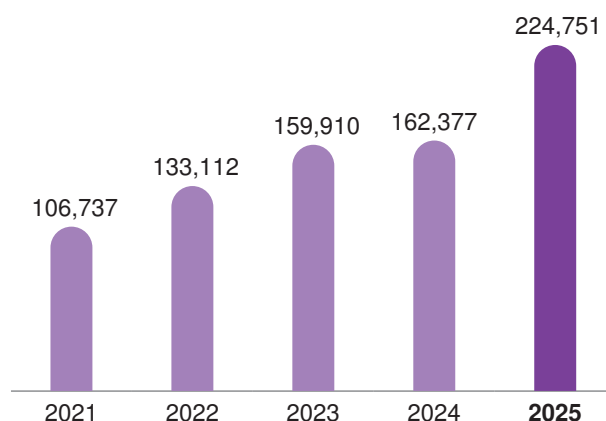
PROFIT/(LOSS) BEFORE TAX (RM'000)



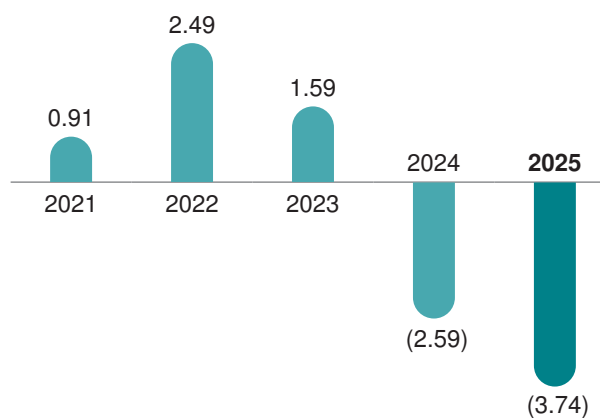
NET PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)



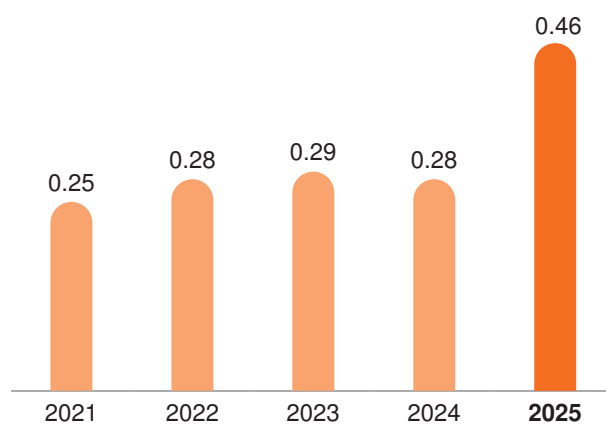
TOTAL ASSETS (RM'000)



BASIC EARNINGS/(LOSS) PER SHARE (SEN)



NET ASSET PER SHARE (RM)





CHAIRMAN'S STATEMENT



Dear Shareholders,

On behalf of the Board of Directors ("**Board**"), I am pleased to present the Annual Report of YBS International Berhad ("**YBS**" or "**the Company**") for the financial year ended 31 March 2025 ("**FY2025**").

Revenue **RM118.52m**
FY2024: Revenue RM98.55m



Loss Before Tax **RM9.45m**
FY2024: Loss before tax RM7.97m



Basic Loss Per Share **3.74sen**
FY2024: Basic loss per share 2.59sen



DATO' DR. MOHD SOFI BIN OSMAN
Independent Non-Executive Director & Chairman

BUSINESS OVERVIEW

FY2025 unfolded against a backdrop of global economic volatility and evolving business landscapes. Despite these challenges, YBS and its subsidiaries ("**YBS Group**" or "**the Group**") achieved commendable revenue growth, driven by our diversified portfolio and strategic expansion efforts. Revenue rose by 20.27%, surpassing the RM100.00 million revenue milestone, reflecting increased demand in our Electronic Manufacturing Services segment and the Group's agility in navigating market shifts.

However, higher operating costs primarily from our Employee Share Option Scheme and strategic investments in talent and infrastructure impacted our profit. The Group recorded a higher loss before tax ("**LBT**") of RM9.45 million, compared to LBT of RM7.97 million in FY2024. Contributing factors included increased staff costs, reduced demand in the paper products segment, and share option expenses amounting to RM4.53 million.

Despite these headwinds, our financial position remained resilient. Cash and short-term investments rose to RM21.49 million from RM17.61 million in FY2024, underscoring our commitment to maintaining liquidity and financial stability in uncertain times.

We continued to pursue long-term growth through strategic alliances, particularly in the electronic manufacturing services segment. Our venture into battery-related projects last year has opened doors to new opportunities, with further developments underway. Additionally, our proposed acquisitions both local and international are expected to enhance our technological capabilities, broaden our market reach, and create synergies that support sustainable growth.

Beyond financial performance, we made meaningful progress in sustainability initiatives, employee development, and operational excellence. These efforts reflect our dedication to building a future-ready organisation that thrives in a dynamic global environment.



CHAIRMAN'S STATEMENT (CONT'D)

CORPORATE GOVERNANCE

Mr. Low Hee Chung, our esteemed fellow Independent Non-Executive Director ("INED"), will be retiring from the Board on 31 July 2025, upon reaching 12 years of dedicated service in accordance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. His invaluable contributions, thoughtful insights, and sound judgment have greatly enriched the Board's deliberations over the years. We extend our heartfelt appreciation and best wishes to Mr. Low as he steps down.

In preparation for this transition, the Nominating Committee has commenced the process of identifying a suitable candidate to fill the INED role within the required timeframe.

The Board remains steadfast in upholding high standards of corporate governance and ethical conduct. We view strong governance as a cornerstone of our ability to execute strategy effectively and deliver sustainable value to our stakeholders. Our policies and guidelines foster a culture of accountability and integrity, ensuring compliance with all legal and ethical obligations. Directors are supported with ongoing training tailored to their individual needs, and receive regular updates on regulatory developments and governance practices relevant to the Group's operations.

OUTLOOK

The Group remains focused on navigating an increasingly complex and uncertain global economic landscape. In 2025, rising trade tensions and the reintroduction of broad-based tariffs particularly by the US have created headwinds for export-driven economies like Malaysia. These developments, coupled with currency fluctuations and geopolitical uncertainties, may impact the Group's financial performance, especially in sectors sensitive to global trade dynamics.

Despite these challenges, YBS continues to pursue strategic growth initiatives. A key milestone was the signing of a master sale and purchase agreement to acquire 100% equity interests in Allied Precision Technologies (M) Sdn. Bhd., Allied Precision (Thailand) Co., Ltd., Allied Precision Manufacturing (M) Sdn. Bhd., and Allied Technologies (Saigon) Co., Ltd. for a total cash consideration of USD38 million (equivalent to approximately RM164 million).

This acquisition marks a significant step in expanding our precision manufacturing capabilities and geographic footprint across Southeast Asia.

The integration of these entities is expected to enhance our technological expertise, diversify our customer base, and create synergies that support long-term sustainability. It also positions the Group to better withstand external shocks by broadening our revenue streams and operational resilience.

In light of these developments, the Group remains committed to prudent financial management, operational efficiency, and innovation. We will continue to monitor global trends closely, adapt swiftly, and pursue opportunities that align with our long-term strategy. Our goal is to build a stronger, more agile organisation that delivers sustainable value to shareholders and stakeholders.

DIVIDEND

In line with our commitment to reinvest in the business, the Company did not declare any dividends for FY2025, opting instead to conserve cash for future capital investment.

APPRECIATION

The Board wishes to extend our gratitude to the management and staff, whose continued contributions, spirit of innovation, resilience, teamwork and diligence in navigating the evolving business environment have been instrumental in the Group's continued progress and growth.

On behalf of the Board, I would also like to express our appreciation to all stakeholders: shareholders, customers, business partners, financiers, regulators, and government bodies for their invaluable support, which has enabled the Group to move forward toward sustained value creation.

I also wish to acknowledge my fellow board members for their wise counsel, support and guidance and I look forward to our continued collaboration.

The YBS Group is in a strong position to deliver on its growth ambitions. The Board and I are confident in the Group's continued success.

Dato' Dr. Mohd Sofi Bin Osman

Independent Non-Executive Director & Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

YBS International Berhad ("YBS" or "the Company") and its subsidiaries ("YBS Group" or "Group") is a diversified engineering and manufacturing group with principal activities in precision engineering and plastic injection moulding, precision machining and stamping, Electronic Manufacturing Services ("EMS") and paper products. The Group operates primarily in Malaysia with additional operations in Vietnam, serving a global customer base in the electronics, automotive, industrial, and packaging sectors.

Objectives and Strategies:

The Group's long-term objective is to be a leading regional provider of precision engineering solutions and EMS, leveraging technology, operational excellence, and strategic partnerships. Key strategies include:

- Expanding EMS and battery-related manufacturing.
- Enhancing automation and digitalisation across production lines.
- Diversifying the customer base and product portfolio.
- Pursuing selective acquisitions and partnerships to accelerate growth.

YBS continues to evolve from its core competencies in metal, plastic, and Printed Circuit Board Assembly ("PCBA") manufacturing into the energy segment, with strategic expansion into battery related manufacturing. The Group maintains strong relationships with multinational customers and is actively building capabilities to support mass production of Enovix batteries in Malaysia.

Following the divestment of its entire equity interest in its subsidiary in India, Edaran Precision India Private Limited, which was disposed of for a total consideration of USD177,272 on 4 February 2025, the Group's manufacturing footprint now comprises seven operational facilities.

To enhance its marketing reach, YBS had set up marketing office in Singapore with the aim of penetrating and establishing 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.

These seven facilities span:

3 sites in Penang (15 acres)
3 sites in Johor (7 acres)
1 site in Vietnam (1 acre)

And one overseas office:

Singapore office

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

Revenue

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

	FY2025 RM'000	FY2024 RM'000	Increase / (Decrease)	
			RM'000	%
Precision engineering and plastic injection moulding	18,935	13,553	5,382	39.71
Precision machining and stamping	48,565	43,144	5,421	12.56
Electronic manufacturing services	23,458	12,108	11,350	93.74
Paper products	19,365	29,740	(10,375)	(34.89)
Property letting/Rental income	8,198	-	8,198	100.00
	118,521	98,545	19,976	20.27



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION (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.

Revenue increased by 39.7% to RM18.94 million, driven by higher demand from existing customers. However, the segment recorded a loss before tax due to Employees' Share Option Scheme ("ESOS") expenses, margin pressure and increased operating costs. YBS aims to focus on higher value-added products and increasing automation to improve margins and competitiveness.

Precision machining and stamping segment

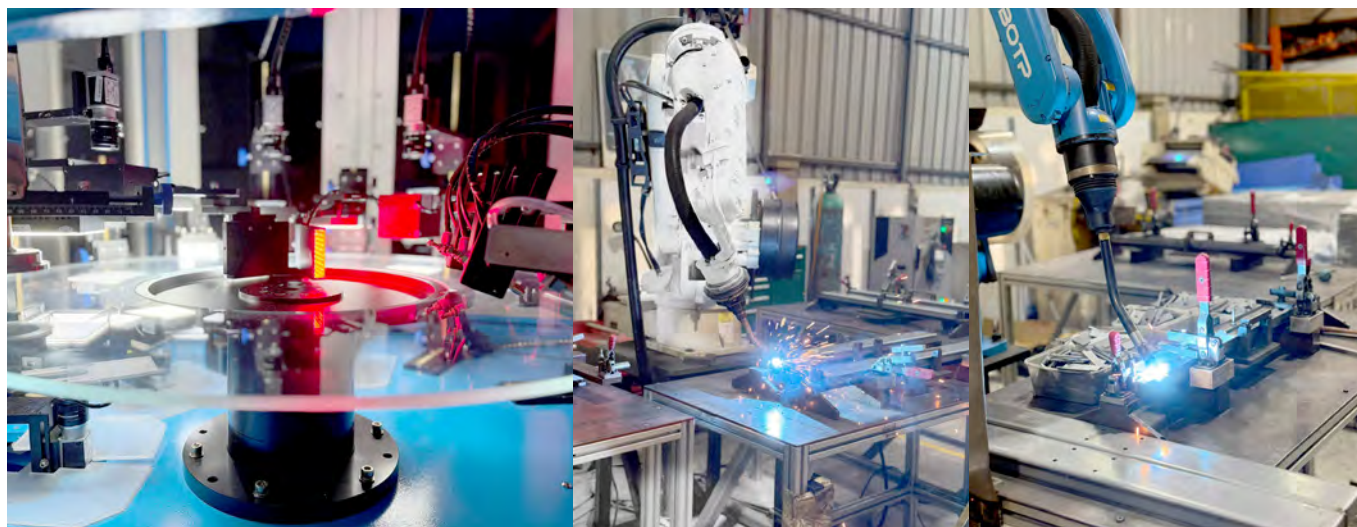
The precision machining and stamping segment is currently serving market leaders in the telecommunications, electrical and electronics, aerospace and automotive industries.

The revenue generated by the Group from this segment totalled RM48.57 million, a 12.6% growth from RM43.14 million in FY2024 boosted by higher market demand from existing customers.

Electronic manufacturing services segment

The EMS 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. Since FY2024, 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 an impressive surge in revenue of RM11.35 million, a remarkable 93.7% jump from previous year revenue of RM12.11 million. This significant growth was mainly due to battery assembly project within this segment.





MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION (CONT'D)

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 declined by 34.9% to RM19.37 million, mainly due to reduced orders from key customers.

YBS aims to focus on higher margin honeycomb products and expand its customers base to improve revenue and margins.

Property letting/Rental income

This segment involved in property letting. Revenue generated from this segment at RM8.20 million.

Gross Profit

Gross profit increased by 25.6% to RM13.58 million from RM10.81 million reported in FY2024, in line with the corresponding increase in revenue as highlighted above.

The increase was mainly attributable to higher revenue from EMS segment.

Loss Before Tax

Loss before tax widened to RM9.45 million from RM7.97 million reported in FY2024, mainly due to an increase in staff costs. These costs encompassed salary adjustments, strategic hiring to support new projects such as battery production and integration of Allied Group such as professional fee on due diligence, entities to be acquired by the Company as well as ESOS related expenses. Despite notable increases in revenue and gross profit, they were insufficient to offset the rise in operating expenses. This reflects the Group's investment in human capital and infrastructure to support long-term growth, positioning YBS for future profitability.

Statement of Financial Position as at 31 March 2025

As at 31 March 2025, the Group's inventory level stood at RM15.15 million, an 8.78% or RM1.46 million drop from RM16.61 million as at FY2024. The drop in inventory was mainly due to the improvement in production planning and control.

Receivables, deposits and prepayments increased to RM25.79 million from RM20.81 million in FY2024 in tandem with higher revenue.

Cash and bank balances which includes short term investment and fixed deposits with licensed banks stood at RM21.49 million which is higher than RM17.61 million recorded in FY2024.

Current liabilities, which comprised mainly trade payables, other payables and accruals amounting to RM21.53 million and borrowings amounting to RM12.23 million. Amid challenging conditions, the Group adeptly managed its total borrowings and improved its gearing ratio, which reflected its prudent management of debt and capital structure. As at FY2025, total borrowings (including bank overdrafts) were reduced to RM53.30 million compared with RM56.72 million as at FY2024. Consequently, the gearing ratio improved to 0.39 times compared to 0.77 times in FY2024. The Group's robust net current assets position totalled RM28.64 million, underscored its solid position to meet its short-term obligations.

Total equity attributable to owners of the Company stood at RM136.17 million as at FY2025 (FY2024: RM72.59 million) while net assets per ordinary share attributable to owners of the Company also saw an increase, at RM0.46 compared to RM0.28 as at FY2024. The increased in total equity and net assets per ordinary share was mainly due to the revaluation gains and new equity raised reported for the year under review.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION (CONT'D)

Cash Flows

The Group has demonstrated a robust financial health in FY2025. Its net cash used in operating cash flow was RM3.99 million, mainly due to repayment of payables and higher receivables due to higher sales during the financial year.

Investing activities necessitated the use of RM7.34 million in FY2025 while net cash generated from financing activities totalled RM16.27 million mainly from RM23.67 million raised from issuance of new YBS shares. As at FY2025, the Group maintained a robust cash and cash equivalents position of RM21.04 million, reflecting its sound liquidity and prudent financial management. This strong liquidity position ensured that the Group has sufficient flexibility to cope with unexpected challenges or seize potential opportunities. Overall, the Group's cash flow statement as at 31 March 2025 showcased the Group's sustainable cash flow management, empowering it to invest in future growth, reduce its debt, and maintain its financial stability.

BUSINESS RISKS

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 our 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 to be very volatile and challenging in FY2026.

Trade War Risk

The Group is exposed to trade war risks arising from geopolitical tensions and protectionist policies that may disrupt global supply chains, increase tariffs (ie. US tariff), and impact cross-border trade. These risks are particularly relevant to the Group's operations in the electronics, automotive, and industrial sectors, which rely on international sourcing and export markets.

The Group manages its exposure to trade war risks in the following manner:

- Diversifying its customer base and geographical markets to reduce reliance on any single country or region;
- Strengthening local and regional supply chains to mitigate the impact of cross-border disruptions;
- Monitoring global trade developments and regulatory changes to proactively adjust sourcing, pricing, and logistics strategies.

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 United States ("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.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

BUSINESS RISKS (CONT'D)

Interest Rate Risk

The Group is exposed to interest rate risk arising from its borrowings and investments in interest-bearing instruments. Changes in market interest rates can affect the Group's finance costs and the valuation of its fixed income assets. This risk is particularly relevant in the context of the Group's capital management and funding strategies.

The Group manages its exposure to interest rate risk in the following manner:

- Maintaining a balanced mix of fixed and floating rate borrowings to reduce sensitivity to interest rate fluctuations;
- Regularly reviewing its debt portfolio and refinancing strategies to optimise borrowing costs and align with prevailing market conditions;
- Monitoring central bank policies and macroeconomic indicators to anticipate interest rate movements and adjust financial planning accordingly.

Customer concentration risk

The Group is dependent on 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 cultivate a diversified customer base and explore different product segments with the aim of mitigating its reliance on major customers. The Group will also focus on upgrading to new technologies, machineries and equipment as well as practise stringent quality management to fulfil customers' requirements.

OUTLOOK AND PROSPECTS

The global business environment is expected to remain volatile, with ongoing economic uncertainties and geopolitical tensions. Fluctuations in the Malaysian Ringgit against the US Dollar may impact financial results. However, the Group anticipates steady improvement in performance for FY2026, driven by the commencement of battery production and the integration of Allied Group as part of YBS Group.

- **Precision Engineering & Plastic Injection:** Industry analysts project continued growth in global connector and semiconductor markets, which should support gradual recovery in this segment.
- **Precision Machining & Stamping:** The Group is broadening its market presence, especially in aerospace and security products, and expects sales to increase with new projects in the pipeline.
- **EMS:** The battery manufacturing venture is expected to be a key growth driver, with positive contributions anticipated from new and existing customers.
- **Paper Products:** Management will focus on expanding eco-friendly packaging solutions to meet diverse industry needs.

Strategic Priorities:

- Customer diversification
- Enhance cost efficiency and operational excellence
- Complete and integrate strategic acquisitions
- Invest in technology and human capital
- Maintain prudent capital management and cash preservation

Prospects of Allied Acquisition:

The integration of Allied Group marks a strategic milestone for YBS. This acquisition is expected to enhance the Group's technological capabilities, broaden its customer base, and strengthen its position in the precision engineering sectors. Allied Group's complementary expertise and operational scale are anticipated to contribute positively to cost efficiency and production flexibility. The Group expects the acquisition to support its planned expansion and drive steady performance improvement in FY2026 and beyond.

CONCLUSION

The Group remains committed to building long-term value for shareholders by strengthening its core businesses, pursuing new growth opportunities, and maintaining a disciplined approach to risk and capital management. While challenges persist, YBS is well-positioned to capture opportunities in high-growth sectors and deliver sustainable performance.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of YBS International Berhad (“YBS” or “the Company”) (“Board”) is committed to implementing and maintaining high standards of corporate governance practices that are premised on the notions of transparency, accountability and integrity with a view to enhance stakeholders’ value.

This statement provides an overview of the Company’s corporate governance practices during the financial year ended 31 March 2025 (“FY2025”) with reference to the 3 Principles as set out in the Malaysian Code on Corporate Governance 2021 (“MCCG” or “the Code”). The Company’s application of each Practice set out in MCCG during FY2025 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 ACE Market Listing Requirements of Bursa Securities (“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

1. Board of Directors

Presently, the Board of YBS comprises of five (5) members; one (1) Executive Director who is actively involved in the day-to-day management and operations of the Company and four (4) Independent Non-Executive Directors (“INED”):

Directors	Designation
Dato’ Dr. Mohd Sofi Bin Osman	Independent Non-Executive Director/ Chairman
Yong Chan Cheah	Managing Director & Chief Executive Officer (“MD & CEO”)
Dato’ Jimmy Ong Chin Keng	Independent Non-Executive Director
Gor Siew Yeng	Independent Non-Executive Director
Low Hee Chung	Independent Non-Executive Director

The background, experiences and qualifications of the Directors are set out under the Profile of Directors in this Annual Report.

All concerns regarding the Group can be conveyed to any one of the Directors and/or will be deliberated by all Directors during board meetings. As such, the Board has not appointed a Senior Independent Director to whom concerns regarding the Group may be conveyed.

The Board meets at least four (4) times a year at quarterly intervals with additional meetings convened as necessary. Throughout FY2025, the Board held a total of nine (9) meetings. The purpose of these meetings was to discuss and deliberate on a wide range of matters pertaining to the Group. These included reviewing and analysing the Group’s quarterly operations and financial results, evaluating major investments and strategic decisions, assessing business plans, reviewing and approving related party transactions, and conflict of interest (if any), and addressing any other strategic issues that could potentially impact the Group’s businesses. By convening regular board meetings, the Board ensures that important matters are thoroughly considered, enabling effective decision-making and strategic planning.

CORPORATE GOVERNANCE OVERVIEW

STATEMENT (CONT'D)

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

1. Board of Directors (Cont'd)

The attendance of Directors of the meetings of the Board and Board Committees (defined below) held during FY2025 is as tabulated below:

Directors	Board	ASRC	NC	RC
Dato' Dr. Mohd Sofi Bin Osman	9/9	-	-	-
Yong Chan Cheah	9/9	-	-	-
Dato' Jimmy Ong Chin Keng	7/9	6/6	2/2	2/2
Gor Siew Yeng	9/9	6/6	2/2	2/2
Low Hee Chung	9/9	6/6	2/2	2/2
Yong Swee Chuan (<i>Resigned on 20 August 2024</i>)	2/2	-	-	-
Poa Mei Ling (<i>Resigned on 19 August 2024</i>)	2/2	-	-	-

2. 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 namely Audit, Sustainability and Risk Committee ("**ASRC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") (collectively the "**Board Committees**"), Group MD & CEO and the Key Senior Management ("**KSM**") of the Company and respective subsidiaries.

The Board is guided by an established Board Charter which stipulates the roles and responsibilities of the Board, Board Committees, Executive Directors, Independent Directors, Chairman, matters reserved for the Board's decision, as well as processes and practices which the Board and Directors are required to adhere to. All Directors are further required to observe the Directors' Code of Ethics which aligns the duties of a Director with good corporate governance practices, including addressing conflict of interest.

The Board plays an active role in the development of the Group's strategy. The Board reviews and approves the 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 to report on major issues relating to their respective responsibilities.

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**"). The chairman of the relevant Board Committees also report to the Board on key issues deliberated by the Board Committees at their respective meetings.

The Board Charter and TOR of the respective Board Committees are published on the Company's website at www.ybsinternational.com.

Chairman of the Board

The Chairman of the Board, Dato' Dr. Mohd Sofi Bin Osman is an Independent Non-Executive Director who chairs and leads the Board meetings by encouraging and eliciting the views of all the Board members. He ensures that proper weightage and time are given to issues of corporate governance, business operations and strategies raised in the Board meetings.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

2. Board Responsibilities (Cont'd)

Separation of roles of Chairman and CEO

The Board maintains a clear distinction between the roles of the Chairman and the Group MD & CEO. These positions are held by different individuals with distinct responsibilities, roles and duties to ensure a balance of power and authority, increased accountability and greater capacity of the Board for independent decision-making.

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 Group MD & CEO oversees the day-to-day operations of the business, making strategic business decisions and implementing Board policies.

Chairman of the Board shall not be a member of the Board Committees

The Board views that the Chairman of the Board should not be appointed as member in any Board Committees. This is to ensure a due check and balance as well as ensuring objectivity will not be impaired/influenced by the Chairman of the Board. Therefore, the Chairman of the Board is not a member of any of the Board Committees which is in line with MCCG.

Qualified and Competent Company Secretary

The Company Secretary is qualified to act as company secretary under Section 235(2) of the Companies Act 2016. She is competent, qualified and capable of carrying out her duties and providing support to the Board in the discharge of their fiduciary duties.

The Board is satisfied with the performance and support provided by the Company Secretary. The Company Secretary serves as a valuable resource for the Directors, offering advice and assistance as needed.

One of the key responsibilities of the Company Secretary is to keep the Board informed about any updates or changes in statutory and regulatory requirements that are relevant to the duties and responsibilities of Directors. This includes notifying the Board about new laws, regulations, or guidelines that may impact the Group and its Directors. By staying updated on these matters, the Board can ensure compliance and understand the potential implications and consequences that may arise. Hence, the Company Secretary has and will constantly keep herself abreast, through continuous training on the regulatory changes and development.

The Company Secretary, or her representatives, attend and ensure that all Board and Board Committees meetings are properly convened. The decisions made and/or resolutions passed thereof are recorded in minutes of meetings and kept at the registered office of the Company together with its statutory registers.

Access to Information and Advice

The Board recognises that the decision-making process is highly dependent on the quality of information available. 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 Meeting and/or respective Board Committees meetings 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.

Furthermore, any actions or decisions taken during previous meetings are reported and followed up on in subsequent meetings. This allows for proper tracking and accountability, ensuring that the resolutions and tasks identified in earlier meetings are addressed and progress is made.

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 Board, depending on the quantum of the fees involved.



CORPORATE GOVERNANCE OVERVIEW

STATEMENT (CONT'D)

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

2. Board Responsibilities (Cont'd)

Board Charter

The Board Charter clearly sets out the roles and responsibilities of the Board, Board Committees, Chairman, Executive Director and Independent Directors as well as 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 25 July 2024. The Board will continue 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

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:

- (a) 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; and
- (b) To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administering the Group.

The Code of Ethics is published on the Company's website at www.ybsinternational.com.

Whistleblowing Policy and Procedures

YBS has in place the Whistleblowing 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 Whistleblowing Policy and Procedures is published on the Company's website at www.ybsinternational.com.

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 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.

The ABC Policy is published on 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 individuals who possess the right qualification, expertise, competence and integrity are appointed as Directors in the Group. All candidates to be appointed and seeking re-election as Directors in the Group, shall undergo a fit and proper review accordance with the Directors' Fit and Proper Policy.

The Directors' Fit and Proper Policy is published on the Company's website at www.ybsinternational.com.

3. Board Composition

The Board currently has five (5) members comprising the one (1) Executive Director and four (4) 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.



CORPORATE GOVERNANCE OVERVIEW

STATEMENT (CONT'D)

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

3. Board Composition (Cont'd)

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 non-compliance with the above, the Company will 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 four (4) 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 MD & CEO at the following address and such concerns will be reviewed and addressed by the Board accordingly:

Mr. Yong Chan Cheah
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

Nominating Committee

The NC comprises three (3) members, all of whom are INEDs as tabulated below:

Name	Position
Dato' Jimmy Ong Chin Keng	Chairman
Gor Siew Yeng	Member
Low Hee Chung	Member

The NC 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 annually;
- consider the election criteria and develop procedures for the sourcing and election of candidates to stand for election by the Company's 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 and justify the retention of independent Directors who have served more than 9 years;
- review the training needs for the Directors regularly; 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 NC TOR is available at the Company's website at www.ybsinternational.com.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

3. Board Composition (Cont'd)

In line with the TOR of NC, there were two (2) meetings held by the NC during the FY2025 with full attendance by all members. The activities carried out by the NC during FY2025 in discharging its functions were as follows, amongst others:

- (a) 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;
- (b) undertaken an assessment of the independence of its Independent Directors;
- (c) recommended to the Board on those Directors who retire pursuant to Constitution of the Company, and being eligible, seek for re-election at the forthcoming Annual General Meeting (“AGM”);
- (d) reviewed and recommended the continuation in office of the INEDs who have served beyond 9 years;
- (e) reviewed the training needs for the Directors; and
- (f) reviewed the composition of the ASRC.

Appointment of New Directors to the Board

The NC is responsible for ensuring that the procedures for appointing new Directors are transparent and rigorous, with appointments based on merit. The NC is guided by the Directors’ Fit and Proper Policy in evaluating the suitability of individuals for appointments as 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 of meeting 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 Company.

The Board does not have a specific policy on gender diversity but remains committed to promoting fair and equal opportunities and fostering diversity across the Group.

Tenure of Independent Directors and Annual Assessment of Independence

The Board acknowledges the vital role of Independent Directors in ensuring proper checks and balances on the Board. Their ability to provide unbiased and independent views and perspectives in Board deliberations and decision making is essential in safeguarding the interests of the Group and the minority shareholders.

The NC played an important role in assisting the Board to assess the independence of INEDs of the Company on an annual basis. Based on the assessment conducted by the NC for FY2025, 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 Directors, including but not limited to directors’ background, family relationships, interest of shareholdings in the Company and related party transactions with the Group (if any).

Other factors considered for the appointment of independent director will include the level of independence of the candidate. The candidate for appointment as independent director must be one who is not a member of Management and who is free from any business or other relationship which could interfere with the exercise of independent judgment or the ability to act in the best interest of the Company and the Group.

The NC leads the process of 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.

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.

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

CORPORATE GOVERNANCE OVERVIEW

STATEMENT (CONT'D)

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

3. Board Composition (Cont'd)

Re-election of Directors

The Company's Constitution provides that one-third of the Directors for the time being, or if their number is not 3 or a multiple of 3, then the number nearest to one-third, shall retire from office at each AGM. Each Director shall retire once at least in each 3 years but shall be eligible for re-election.

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 review 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 15 July 2025, an assessment of the effectiveness of the Board, respective Board Committees and Independence was carried out in respect of FY2025. 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 MCCG's target. In addition, the Board also strives to broaden the diversity of the Board and KSM from time to time.

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

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

CORPORATE GOVERNANCE OVERVIEW

STATEMENT (CONT'D)

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

3. Board Composition (Cont'd)

Time Commitment

The Board meets on a quarterly basis with additional meetings held whenever necessary. During FY2025, the level of time commitment given by the Directors was satisfactory, which was evidenced by the attendance record of the Directors at the Board and Board Committees' meetings held.

All the Directors have complied with the minimum requirement of at least 50% on attendance of Board meetings during the financial year as stipulated in the ACE LR.

In addition, all of the Directors do not hold more than 5 directorships in other public listed companies as required under Rule 15.06 of the ACE LR to enable the Directors to discharge their duties effectively by ensuring that their commitment, resources and time are more focused. The Board members must notify the Board or the Chairman before accepting any new directorship in other public listed companies.

The Directors are also 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.

Directors' Training and Development

The Board acknowledges that continuous education is vital to gain insight into the state of economy, technological advances, regulatory updates and management strategies to enhance the skills and knowledge in discharging its responsibilities.

The Directors are mindful that they should continue to attend training courses and professional programmes to enhance their skills and knowledge where relevant, as well as to keep abreast of the changing regulatory and corporate governance developments as well as developments in the business environment, which can complement their services to the Group.

The details of trainings attended by the Directors during FY2025 are as follows:

Director	Date	Description
Dato' Dr. Mohd Sofi Bin Osman	24/06/2024 - 25/06/2024	Mandatory Accreditation Programme Part II; Leading for Impact (LIP)
	03/09/2024 - 04/09/2024	Advanced Innovation & Manufacturing Asia Week 2024
Yong Chan Cheah	04/09/2024 - 05/09/2024	Mandatory Accreditation Programme Part II; Leading for Impact (LIP)
	21/09/2024	2 nd ASEAN Battery Technology Conference
	25/09/2024 - 26/09/2024	Design-2-Part Trade Show: Southern California 2024
	05/12/2024	AMCHAM's Penang Dialogue 2024: Policies & Possibilities
Low Hee Chung	23/04/2024	Unlocking success with eInvoicing tax compliance & strategies in Malaysia
	02/05/2024	How to Detect Financial Warnings in Companies Confirmation
	05/06/2024	WEBINAR SALES TAX 2024 (LATEST UPDATES & EXEMPTION)
	06/06/2024	FMM Penang Tea Talk Session: E invoicing Implementation-Updates for 2024
	18/07/2024	Webinar Seminar Cukai Keuntungan Modal
	11/10/2024	Are you ready for E-Invoicing (Full Day)
	23/10/2024	Seminar Percukaian Kebangsaan (SPK) 2024
	04/11/2024 - 05/11/2024	Mandatory Accreditation Programme Part II; Leading for Impact (LIP)
	16/05/2024	FMM: Enhancing employee engagement to boost productivity
Gor Siew Yeng	10/06/2024 - 11/06/2024	Employees' DX Education (Advanced)
	01/08/2024	Northern Region HR Conference 2024
	24/02/2025 - 25/02/2025	Mandatory Accreditation Programme Part II; Leading for Impact (LIP)
	25/09/2024 - 26/09/2024	Mandatory Accreditation Programme Part II; Leading for Impact (LIP)
Dato' Jimmy Ong Chin Keng	25/09/2024 - 26/09/2024	Mandatory Accreditation Programme Part II; Leading for Impact (LIP)
Yong Li-Xiang	04/09/2024 - 05/09/2024	Mandatory Accreditation Programme Part II; Leading for Impact (LIP)



CORPORATE GOVERNANCE OVERVIEW

STATEMENT (CONT'D)

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

4. 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.

Market survey data on the remuneration practices of comparable companies is taken into consideration in determining the remuneration packages for the Directors and key senior management.

The details of the Company Directors' remuneration comprising remuneration received/receivable from the Company and its subsidiaries during FY2025 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. Mohd Sofi Bin Osman	69,000	-	8,125	60,000	-	137,125
Low Hee Chung	52,800	-	8,375	51,758	-	112,933
Gor Siew Yeng	48,000	-	7,000	46,334	-	101,334
Dato' Jimmy Ong Chin Keng	42,000	-	6,250	45,179	-	93,429
Executive						
Yong Chan Cheah	-	1,326,704	6,500	200,000	26,396	1,559,600
Yong Swee Chuan [^]	-	230,058	2,000	200,000	7,083	439,141
Poa Mei Ling [*]	-	122,426	2,000	-	3,000	127,426
Yong Li-Xiang	-	89,384	3,800	121,072	-	214,256
Received/receivable from the Company	211,800	1,768,572	44,050	724,343	36,479	2,785,244
Non-Executive						
Dato' Dr. Mohd Sofi Bin Osman	-	-	-	-	-	-
Low Hee Chung	-	-	-	-	-	-
Gor Siew Yeng	-	-	-	-	-	-
Dato' Jimmy Ong Chin Keng	-	-	-	-	-	-
Executive						
Yong Chan Cheah	-	-	-	234,813	-	234,813
Yong Swee Chuan [#]	-	758,933	-	234,813	14,167	1,007,913
Poa Mei Ling [#]	-	289,209	-	242,422	6,000	537,631
Yong Li-Xiang	-	-	-	-	-	-
Received/receivable from the subsidiaries	-	1,048,142	-	712,048	20,167	1,780,357
Total Group	211,800	2,816,714	44,050	1,436,391	56,646	4,565,601

[^] Resigned on 20 August 2024

^{*} Resigned on 19 August 2024

[#] Remuneration was received from subsidiaries of the Company as an employee

CORPORATE GOVERNANCE OVERVIEW

STATEMENT (CONT'D)

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

4. Remuneration (Cont'd)

Given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment and the importance of ensuring stability and continuity of business operations with a competent and experienced Management team in place, the Board takes the view that there is no necessity for the Group to disclose the names of the Company's Senior Management personnel who are not Directors or the Chief Executive Officer.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit, Sustainability and Risk Committee

The Audit Committee has been renamed to Audit, Sustainability and Risk Committee on 4 July 2024 to reflect its expanded scope and responsibilities to better support the Board in overseeing the Company's framework, strategies and initiatives related to audit, sustainability, corporate governance and risk management.

The ASRC comprises solely of independent Directors and none of the ASRC members were former key audit partners. The ASRC is chaired by an INED, Dato' Jimmy Ong Chin Keng who is a Chartered Accountant and holds a professional qualification from the Malaysian Institute of Certified Public Accountants and is a member of Malaysian Institute of Accountants ("MIA"), which is in compliance with Rule 15.09(1)(c) of the ACE LR.

None of the members of the ASRC and the Board were former key audit partners. The Board will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the ASRC was a key audit partner.

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 INED 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 ASRC Report as set out in this Annual Report, provides the details of the ASRC's activities which among others, include the annual assessment on the suitability, objectivity and independence of the external auditors.

The roles and responsibilities of the ASRC are spelt out in the TOR of the ASRC which is available in the Company's website at www.ybsinternational.com.

2. 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 comprises of the Group MD & CEO and management team 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 2024/2025.

The Board is of the view that the internal control and risk management system in place during FY2025, 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.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

3. Internal Audit Function

The internal audit function of the Group is carried out by an outsourced professional consulting firm, JWC Consulting Sdn. Bhd. ("JWC") which reports directly to the ASRC. JWC is led by Ms. Wong Ai May who is a member of both MIA and Institute of Internal Auditors Malaysia ("IIAM") and is sufficiently resourced to provide service level and advisory that meet with the Group's expectations.

Information on the internal auditors and the internal audit activities during FY2025 are set out in the ASRC Report in this Annual Report.

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

1. Communication with Stakeholders

The Board recognises the importance and need for shareholders and stakeholders 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. All material announcements are reviewed and endorsed by the ASRC (as applicable) and the Board prior to release to the public through 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.

2. Conduct of General Meetings

The AGM of the Company is an important means of communicating with its shareholders. The notice of 22nd AGM held on 29 August 2024 was sent to the shareholders, proxies and corporate representatives at least twenty-eight (28) days prior to the meeting date and published in a major local newspaper. This ensures 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. Items of special business included in the notice of 22nd AGM were accompanied by an explanation of the proposed resolutions. All suggestions and comments put forth by shareholders, proxies and corporate representatives were noted by the Board for consideration.

The shareholders who were unable to attend the AGM in person were encouraged to appoint the Chairman of the 22nd AGM to act as proxy to attend and vote at the 22nd AGM on their behalf by submitting the proxy form with pre-casted voting instruction.

All Directors and KSM were present at the 22nd AGM of the Company held on 29 August 2024. The Chairman of the meeting also invited shareholders to raise questions pertaining to the Company's financial statements and other items for adoption at the meeting. The Directors, KSM and external auditors were in attendance to respond to the shareholders' queries.

The Board took note of 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 considerations 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 25 July 2025.



ADDITIONAL DISCLOSURE REQUIREMENTS

1. Utilisation of Proceeds Raised from Corporate Proposals

On 15 August 2024, Bursa Malaysia Securities Berhad ("**Bursa Securities**") approved the listing and quotation of up to 30,467,698 new ordinary shares to be issued pursuant to the private placement of up to 10% of the total number of issued shares (excluding treasury shares, if any) of YBS International Berhad ("**YBS**" or "**the Company**") ("**Private Placement**") on the ACE Market of Bursa Securities.

The Private Placement was completed in two tranches, with 13,000,000 ordinary shares listed on the ACE Market of Bursa Securities on 21 January 2025, followed by the final tranche of 13,700,000 shares listed on 12 February 2025.

On 4 June 2025, the Board of Directors of the Company ("**Board**") announced its intention to vary the utilisation of proceeds raised from the Private Placement to deploy the funds more efficiently to part finance the Enovix project and meet working capital requirements ("**Variation**"). The Variation is necessary due to the extended utilisation period for the usage of raw materials for the Enovix project. As such, the balance proceeds can be better utilised for staff costs of the Enovix project and other working capital requirements.

As at 26 June 2025, the status of utilisation of proceeds raised from Private Placement is as follows:

Details of utilisation	Proceeds Raised	Utilisation	Balance	Estimated timeframe for the utilisation
	RM	RM	RM	
Part finance the Enovix project	11,300,000	(11,300,000)	-	Within 12 months
Part finance the capital expenditure for precision machining and stamping segment	596,925	(436,530)	160,395	Within 12 months
Working capital requirements	7,107,874	(5,683,656)	1,424,218	Within 12 months
Defray estimated expenses in relation to the Proposed Private Placement	356,201	(356,201)	-	Immediately
Total	19,361,000	(17,776,387)	1,584,613	

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 financial year ended 31 March 2025 ("**FY2025**") by the Company's external auditors, or a firm or company affiliated to the external auditors' firm are as follows:

	Audit Fees	Non-Audit Fees	Other services
Category	RM	RM	RM
Company	53,000	569,600*	495,680^
Subsidiaries	135,000	-	-
Total	188,000	569,600	495,680

* The non-audit fees is inclusive of re-audit fee for proposed acquisition of 100% equity interests in Allied Precision Technologies (M) Sdn. Bhd., Allied Precision (Thailand) Co., Ltd., Allied Precision Manufacturing (M) Sdn. Bhd. and Allied Technologies (Saigon) Co., Ltd. and statement of risk management and internal control audit.

^ The other services fees is inclusive of financial and tax due diligence for proposed acquisition.

ADDITIONAL DISCLOSURE REQUIREMENTS (CONT'D)

3. Material Contracts

There were no material contracts entered into by the Group involving the interests of the Directors and/or major shareholders, either still subsisting at the end of FY2025, or entered into since the end of the previous financial year.

4. Employees' Share Option Scheme ("ESOS")

At the Extraordinary General Meeting held on 25 February 2016, the shareholders of the Company had approved the establishment of an ESOS of up to 30% of the issued and paid-up share capital (excluding treasury shares, if any) of the Company.

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 FY2025 are set out below:

Number of ESOS as at 31 March 2025						
	Balance as at 1 April 2024	Granted	Exercised	Transfer*	Forfeited	Balance as at 31 March 2025
Directors	9,610,400	2,900,000	(1,803,800)	(5,164,600)	-	5,542,000
Employees	26,499,000	8,010,000	(10,709,706)	5,164,600	(4,396,000)	24,567,894
Total	36,109,400	10,910,000	(12,513,506)	-	(4,396,000)	30,109,894

* Change in designation of 2 former executive Directors.

The vesting period of the ESOS granted on 5 August 2020 was five (5) years commencing from 7 September 2020 while ESOS granted on 20 April 2023 commenced from 19 May 2023 until the expiry of ESOS. The ESOS granted on 04 July 2024 and 19 December 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, 25% of the options available under the scheme have been granted to Executive Directors and Senior Management.

The table below sets out the options granted to and exercised by the Directors in office pursuant to the ESOS in respect of FY2025:

Number of ESOS as at 31 March 2025					
	Balance as at 1 April 2024	Granted	Exercised	Forfeited	Balance as at 31 March 2025
Yong Chan Cheah	3,287,200	1,000,000	(1,045,200)	-	3,242,000
Dato' Dr. Mohd Sofi Bin Osman	-	300,000	-	-	300,000
Low Hee Chung	360,000	150,000	(160,000)	-	350,000
Gor Siew Yeng	226,000	150,000	(76,000)	-	300,000
Dato' Jimmy Ong Chin Keng	150,000	150,000	-	-	300,000
Yong Li-Xiang (Alternate Director)	900,000	150,000	-	-	1,050,000

AUDIT, SUSTAINABILITY AND RISK COMMITTEE REPORT

The Board of Directors of YBS International Berhad ("**YBS**" or "**the Company**") ("**Board**") is pleased to present the Audit Sustainability and Risk Committee ("**ASRC**" or "**Committee**") Report for the financial year ended 31 March 2025 ("**FY2025**"). This Report highlights the ASRC's activities and approach in fulfilling its responsibilities throughout the year.

The ASRC plays a crucial role in supporting the Board by ensuring the effective discharge of its fiduciary duties, particularly in the areas of financial reporting, corporate governance, risk management, and internal control. Through its oversight, the ASRC helps safeguard the integrity of the operations of the Company and its subsidiaries ("**YBS Group**" or "**Group**") while promoting sound governance practices.

Originally established as the Audit Committee on 20 May 2003, the Committee was renamed to ASRC on 04 July 2024 to reflect its expanded scope and responsibilities. This change was made to better support the Board in overseeing the Company's framework, strategies and initiatives related to audit, sustainability, corporate governance and risk management.

MEMBERSHIP

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

Chairman	:	Dato' Jimmy Ong Chin Keng
Members	:	Gor Siew Yeng
		Low Hee Chung

Dato' Jimmy Ong Chin Keng, Chairman of the ASRC, is a Chartered Accountant and holds a professional qualification from the Malaysian Institute of Certified Public Accountants. He is a member of Malaysian Institute of Accountants ("**MIA**"), thereby fulfilling the requirements of Rule 15.09(1) of the ACE Market Listing Requirements of the Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**ACE LR**"). All ASRC members are financially literate and possess the ability to analyse and interpret financial statements, enabling them to effectively discharge their duties and responsibilities.

In the event of any vacancy within the ASRC, the position will be filled within three months, in accordance with regulatory requirements. No alternate director has been appointed as a member of the ASRC.

On 15 July 2025, the Nominating Committee conducted its annual evaluation of the ASRC's effectiveness and the performance of its members, as part of the broader annual assessment and evaluation of directors, Board and its Committees. The Nominating Committee concluded that the ASRC and its members have effectively discharged their functions, duties and responsibilities in accordance with the ASRC's Terms of Reference ("**TOR**") and have provided strong support to the Board in upholding sound corporate governance practices throughout the Group.

As the composition of the Nominating Committee mirrored that of the ASRC, the Committee's conclusion was independently affirmed by the Independent Non-Executive Chairman and the Group Managing Director & Chief Executive Officer, ensuring objectivity and transparency in the evaluation process.

The roles and responsibilities of the ASRC are detailed in their TOR, a copy of which is published on the Company's website at www.ybsinternational.com.

MEETINGS

A total of six (6) meetings were held during the year with full attendance from all members. The ASRC meetings were appropriately structured with detailed agendas and relevant board materials, which were distributed with sufficient notice.

The ASRC conducted its meetings in an open and constructive manner, encouraging focused discussions, thoughtful questioning and the sharing of differing opinions. The Chief Financial Officer ("**CFO**") is a permanent invitee to the Committee's meetings. The CFO, along with representatives from Finance division, external auditors and internal auditors, attended the meetings to present reports and findings. As and when necessary, the ASRC invited relevant personnel to provide briefing on specific issues. The CFO also presented the unaudited quarterly financial statements, budget updates, and other financial reporting matters for the Committee's review and deliberation. Following each meeting, the ASRC Chairman reported the Committee's recommendations to the Board for consideration and approval, and provided updates on key matters discussed.

AUDIT, SUSTAINABILITY AND RISK COMMITTEE REPORT (CONT'D)

MEETINGS (CONT'D)

The Company Secretary is the Secretary of the ASRC and is responsible, together with the Chairman, to draft the agenda and circulating it prior to each meeting.

The minutes of each ASRC meeting were recorded and tabled for confirmation at its following ASRC meeting. The ASRC Chairman reports to the Board on the activities undertaken and key recommendations for the Board's consideration and decision.

ACTIVITIES OF THE AUDIT, SUSTAINABILITY AND RISK COMMITTEE

The following activities were carried out by the Committee, during the year under review, in discharging its functions in accordance with its TOR:

Financial Reporting

- (1) Reviewed the Group's quarterly unaudited financial results and annual audited financial statements as well as appropriate announcements to the regulatory authorities, focusing on changes in or implementation of major accounting policies, significant and unusual events and compliance with the provision of the Companies Act 2016, ACE LR and applicable accounting standards approved by the Malaysian Accounting Standards Board before recommending the same to the Board for approval.
- (2) Reviewed pertinent issues, which have or might have significant impact on the results of the Group, including receivables, inventory management, bank borrowings, investments and divestments and strategic operations of subsidiaries.
- (3) Reviewed and discussed with Key Senior Management ("KSM") on financial budgets including capital expenditure proposal for the following year. The financial budget is subject to reviews half yearly whereby comparisons of approved targets against actual performance are made.

External Auditors

- (4) Discussed the audit plan, scope of work/audit and reporting obligations as well as proposed audit fees for the financial year under review with the external auditors before commencement of audit engagement.
- (5) Reviewed and discussed with the external auditors on the findings and results of the audit and significant audit/accounting issues.
- (6) Responded to external auditors' inquiries and recommendations, if any, to ensure compliance with the various approved accounting standards in the preparation of the Group's financial statements.
- (7) Appraised the suitability and performance of the external auditors vis-a-vis independence, objectivity, quality and robustness of the audit engagement and report furnished, level of understanding demonstrated of the Group's business and communication about new and applicable accounting practices and auditing standards and its impact to the Group's financial statements as well as competency of the engagement team and made recommendation to the Board on their re-appointment and fixing their remuneration.

The external auditors provided written assurance to the ASRC confirming that their independence throughout the audit engagement, in line with all relevant professional and regulatory requirements. The ASRC also reviewed the non-audit services provided by the external auditors and its network firms during FY2025. These services primarily included the annual review of the Statement of Risk Management and Internal Control, as well as non-recurring work related to due diligence and the re-audit of the proposed acquisition of 100% equity interests in Allied Precision Technologies (M) Sdn. Bhd., Allied Precision (Thailand) Co., Ltd., Allied Precision Manufacturing (M) Sdn. Bhd., and Allied Technologies (Saigon) Co., Ltd.. Given the nature and scope of these non-audit services, the ASRC was satisfied that the external auditors' independence was not impaired by the provision of such non-audit services to the Group.

- (8) Met thrice (3) with the external auditors on 23 May 2024, 04 July 2024 and 20 February 2025 respectively without the presence of Group Managing Director & Chief Executive Officer and management staff to give the auditors to raise any matters of concern from their audits and any other observations that they might have during the audit process and, arising therefrom, instructing management to take needful remedial actions.



AUDIT, SUSTAINABILITY AND RISK COMMITTEE REPORT (CONT'D)

Internal Audit ("IA")

- (9) Reviewed and approved the annual IA plan and the scope of work to ensure relevance and comprehensive coverage of the activities of the Group based on risks assessment and adequacy of resources to carry out the engagement. Received assurance that the IA team has taken a risk approach in drafting and finalising the IA plan.
- (10) Deliberated on the IA reports at each ASRC meeting held during the financial year under review. The ASRC noted the audit recommendations made and management's response and actions taken to improve system of risk management and internal controls, including the implementation status of management agreed on actions to address findings highlighted in previous quarters of IA. The ASRC has, where appropriate, directed management to improve further on control procedures and workflow processes.
- (11) Reviewed and assessed performance of the IA function focusing on adequacy of resources (including necessary authority and resource requirements) and competency to carry out assignment on key business units as well as support functions of the Group. The IA function is outsourced to JWC Consulting Sdn. Bhd. ("**JWC**"), an independent professional consulting firm.

Corporate Governance

- (12) Reviewed and recommended the ASRC Report and Statement of Risk Management and Internal Control for Board's approval for inclusion in the Annual Report 2024.
- (13) Noted that there were no whistleblowing and anti-bribery & corruption cases received by the Group through the whistleblowing communication channel.

Conflict of Interest ("COI")

- (14) Assessed and reported to the Board on disclosures of COI and/or potential COI of Directors and KSM including measures taken to resolve, eliminate or mitigate such conflicts in accordance with the Group's COI Policy. There was a potential COI situation that arose from a proposed disposal of investment to a related party. At that material point in time, key measures taken to address this potential COI included the following: (a) Declaration by the affected director was disclosed to the ASRC and the Board immediately. This potential COI disclosure, along with the measures taken to manage said conflict, was subsequently tabled at the ASRC and Board meetings for assessment; and (b) The affected director recused himself from participating in the relevant Board meeting and abstained from voting on matters related to the potential COI. As the proposal was aborted, the potential COI situation was deemed no longer in existence.

Risk Management

- (15) Reviewed the Risk Management Report together with Risks Register which detailed the risk status in the Group and the Management's responses to significant risk areas and proposed recommendations for mitigation from the Risk Management Committee ("**RMC**").
- (16) Assessed the adequacy and effectiveness of the risk management and internal control system.



AUDIT, SUSTAINABILITY AND RISK COMMITTEE REPORT (CONT'D)

INTERNAL AUDIT FUNCTION

The principal role of the IA function is to undertake independent and periodic reviews of the system of internal controls and risk management so as to provide reasonable assurance on the adequacy and effectiveness of governance, risk management and internal control processes. JWC, an independent professional consulting firm, provides outsourced internal audit services to the Group. JWC reports directly to the ASRC, presenting its audit findings and recommendations for review and follow-up.

The cost incurred for the internal audit function for FY2025 was RM49,500.

During FY2025, the JWC presented its findings together with recommendations and management action plans to the ASRC on 23 May 2024, 29 August 2024, 28 November 2024 and 20 February 2025. At these meetings, the ASRC also deliberated on the implementation of the management action plans on outstanding issues on a quarterly basis to ensure that all key risks and control weaknesses are properly addressed until fully resolved and rectified

The IA engagements carried out across the Group in FY2025 focussed on the following areas of audit:

Company	Audit Areas	Reporting Dates
Oriental Fastech Manufacturing Sdn. Bhd.	• Quality control	23 May 2024
Edaran Precision India Private Limited	• Sales and marketing • Property, Plant and Equipment	29 August 2024
Golden City Plastic Sdn. Bhd.	• Sales and marketing	28 November 2024
Edaran Precision Industries Sdn. Bhd.	• Management information systems	28 November 2024
Bumblebee Eco Solutions Sdn. Bhd.	• Inventory management	20 February 2025

The ASRC approved the IA Plan for FY2026 JWC after due deliberation of the feedback from management and advice from the JWC.

RISK MANAGEMENT AND INTERNAL CONTROL

On 23 May 2024 and 28 November 2024, the ASRC deliberated on the Risk Management Reports tabled by the RMC, focusing on risks assessment given the changing business environment, 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 FY2025 on 25 July 2025 for publication in the Annual Report 2025. Information pertaining to the Company's internal controls is shown in the Statement on Risk Management and Internal Control set out in the Annual Report 2025.

This statement is made in accordance with the resolution of the Board dated 25 July 2025.



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 2025, 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 adopted; 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 was made in accordance with a resolution of the Board dated 25 July 2025.



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.

Scope and Basis of Scope

This Statement covers the Group’s sustainability performance and progress of our business operations, and covers the financial reporting period from 1 April 2024 to 31 March 2025 (“FY2025”). Where possible and relevant, information from previous years has been included to provide comparative data. The reporting scope includes Edaran Precision Industries Sdn. Bhd., Golden City Plastic Sdn. Bhd., Orifast Solutions Sdn. Bhd., Oriental Fastech Manufacturing Sdn. Bhd., Oriental Fastech Manufacturing (Vietnam) Co., Ltd., Edaran Interconnect Sdn. Bhd. and Bumblebee Eco Solutions Sdn. Bhd.

Our Reporting Approach

This Statement has been developed in accordance with Bursa Malaysia’s Listing Requirements, with reference to the Bursa Malaysia Sustainability Reporting Guide (3rd Edition) and its accompanying toolkits.

Statement of Assurance

This statement has not been subjected to independent assurance by external parties in accordance with recognised assurance standards.

Availability

This Statement is available on our Company’s website at <https://www.ybsinternational.com> in a downloadable PDF format.

Feedback

We welcome and encourage our stakeholders to provide feedback pertaining to this Statement at investorrelation@ybsinternational.com.

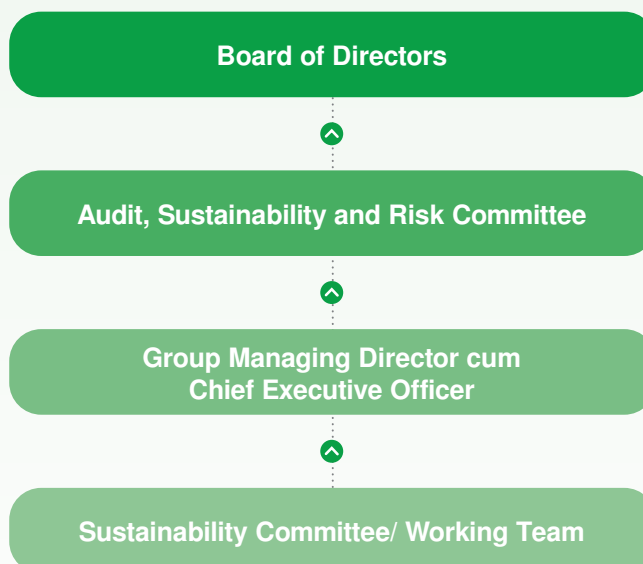
SUSTAINABILITY GOVERNANCE

Our Board of Directors (the “Board”), supported by the Audit, Sustainability and Risk Committee (“ASRC”), is entrusted with the role of overseeing the Group’s sustainability matters. The Board is responsible for reviewing and adopting a strategic plan to ensure the sustainability of the Group’s business and operations, and to support long-term value creation. In addition, the Board, together with management, oversees sustainability governance, including the setting of strategies, priorities, and targets related to economic, environmental, and social considerations that underpin sustainability. The Board also ensures effective communication of these matters—including performance against targets—to internal and external stakeholders.

The Group Managing Director (“MD”) cum Chief Executive Officer (“CEO”), Mr. Yong Chan Cheah, leads the Group’s sustainability initiatives by engaging with both internal and external stakeholders in developing strategies, priorities, and targets, and by monitoring and reporting on performance against these targets. The CEO also provides guidance to the sustainability committee/working team at the operational level, supporting them in fulfilling their oversight responsibilities in relation to the Group’s sustainability initiatives and performance.

The sustainability committee/working team consists of Head of Departments (“HODs”) and/ or representatives from various departments, who are responsible for executing the Group’s day to day sustainability action plans.

The diagram below illustrates our sustainability governance structure:





SUSTAINABILITY STATEMENT (CONT'D)

ENGAGING WITH OUR 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	Material Matters	Method of Engagement	Frequency of Engagement
Shareholders	<ul style="list-style-type: none"> Economic Performance 	<ul style="list-style-type: none"> Annual General Meeting and Annual Report Quarterly Results Announcement Corporate Website 	<ul style="list-style-type: none"> Annual/Quarter/Ongoing
Government and Regulatory Bodies	<ul style="list-style-type: none"> Corporate Governance and Ethics Energy and Climate Change Management Water Management Waste Management 	<ul style="list-style-type: none"> Report Submission Communication for Updates Audit or Inspection Visit by Authorities 	<ul style="list-style-type: none"> Annual/Ongoing
Suppliers/Contractors/Consultants	<ul style="list-style-type: none"> Supply Chain Management 	<ul style="list-style-type: none"> Annual Evaluation and Performance Review Regular Meetings and Correspondence Site Inspection Exercise Contract Negotiation 	<ul style="list-style-type: none"> Annual/Ongoing
Customers	<ul style="list-style-type: none"> Product Quality Data Privacy and Security 	<ul style="list-style-type: none"> Customer Satisfaction Survey Frequent Customer Engagement and Interaction On-site Factory Visit 	<ul style="list-style-type: none"> Annual/Ongoing
Employees	<ul style="list-style-type: none"> Diversity and Equal Opportunities Talent Development and Retention Human and Labour Rights Occupational Health and Safety 	<ul style="list-style-type: none"> Training and Development Performance Appraisal Exercise Corporate Events and Internal Communications 	<ul style="list-style-type: none"> Annual/Ongoing
Local community	<ul style="list-style-type: none"> Community Contribution and Donation 	<ul style="list-style-type: none"> Donations Community or engagement programme 	<ul style="list-style-type: none"> Ongoing

Our materiality assessment process enables us to identify and assess key risks and opportunities to ensure long-term sustainable growth. The process is made up of three (3) distinctive phases as reflected in diagram below:

Identification

- Identify key stakeholders and understand their needs and expectations pertaining to sustainability-related impacts
- Derive preliminary list of sustainability matters

Prioritisation

- Apply materiality concept and undertake stakeholder engagement in prioritisation
- Disclose prioritised material sustainability matters in a manner which illustrates the relative importance of each material sustainability matter

Review

- Review and approve the outcome of materiality assessment

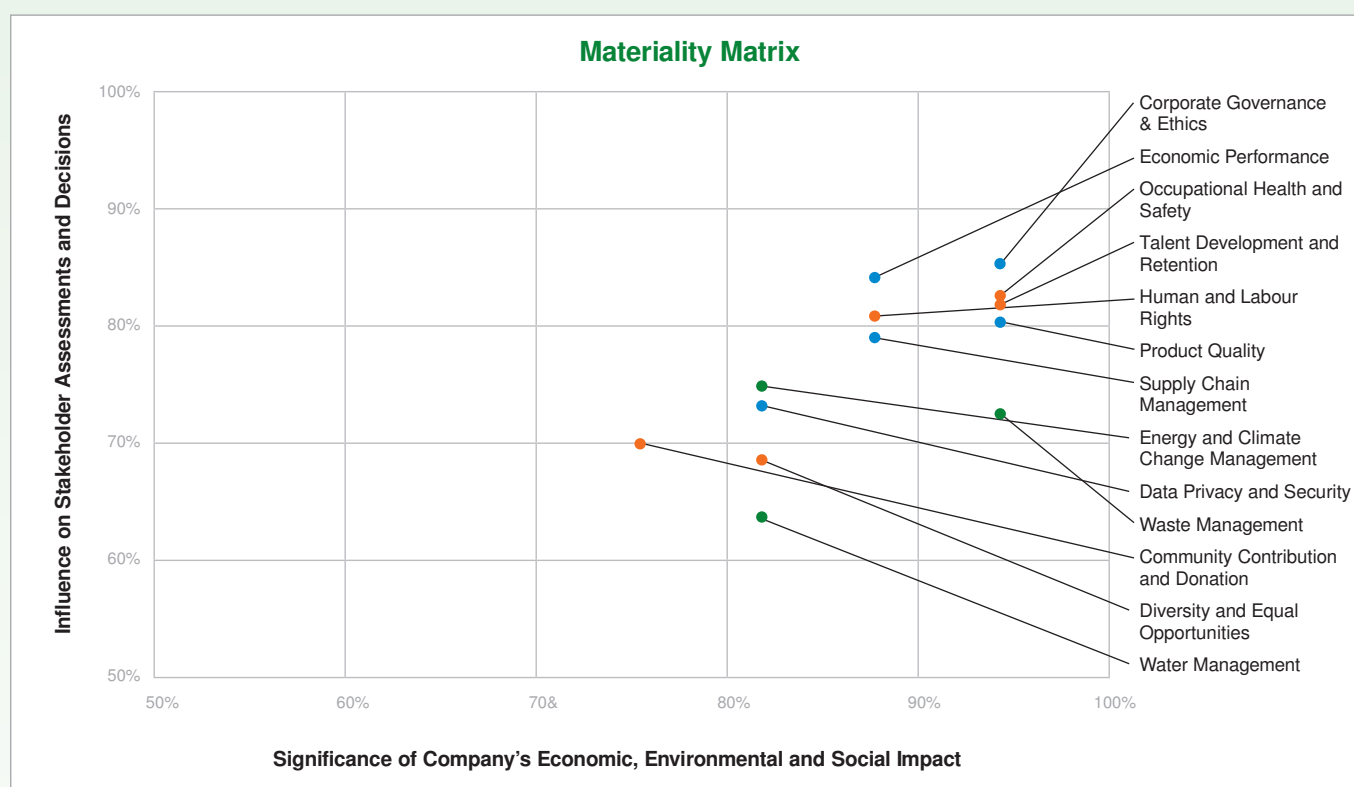


SUSTAINABILITY STATEMENT (CONT'D)

OUR MATERIAL MATTERS

We recognise that material sustainability issues can significantly influence our ability to create long-term value for stakeholders. In line with this, a comprehensive materiality assessment including stakeholder prioritisation was conducted for the FY 2025. The assessment covered key stakeholder groups such as shareholders, employees, customers, suppliers, and government/regulatory bodies.

To gather relevant insights, a structured survey was developed as the primary tool for data collection. Rather than conducting direct engagements with external stakeholders, the assessment relied on HODs and/or designated representatives who regularly interact with these stakeholders. Leveraging their ongoing engagement and operational knowledge, they provided informed perspectives on stakeholder expectations and emerging concerns. For the internal Group perspective, input was gathered from C-Suite members, ensuring that the assessment reflected the Group's strategic direction and business priorities. Based on the survey results, we plotted a materiality matrix to illustrate the relative importance of each material sustainability matter from the perspectives of both stakeholders and the Group.



Our Material Matters

ECONOMIC	ENVIRONMENT	SOCIAL
1. Corporate Governance and Ethics	6. Energy and Climate Change Management	9. Diversity and Equal Opportunities
2. Product Quality	7. Water Management	10. Talent Development and Retention
3. Supply Chain Management	8. Waste Management	11. Human and Labour Rights
4. Economic Performance		12. Occupational Health and Safety
5. Data Privacy and Security		13. Community Contribution and Donation



SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY TARGETS AND DATA

Sustainability Pillars and Matters	Targets and Goals	FY2025 Performance
Economic		
<ul style="list-style-type: none"> Corporate Governance and Ethics Product Quality Supply Chain Management Economic Performance Data Privacy and Security 	<ul style="list-style-type: none"> Zero confirmed incidents of corruption. Strengthen ethical standards through anti-corruption training and policies Deliver products of consistent quality to fulfil customer requirements and enhance satisfaction Promote purchases from local suppliers Deliver financial values to shareholders such as growth in revenue and earnings and dividend payout Zero substantiated complaints concerning breaches of customer privacy and losses of customer data 	<ul style="list-style-type: none"> Zero confirmed incidents of corruption No major product quality issue 88% spending with local suppliers For the FY2025, our revenue increase from RM98.55 million to RM118.52 million. We reported a gross profit of RM13.58 million in FY2025, marking a significant 25.6% increase from RM10.81 million in preceding year Zero substantiated complaints concerning breaches of customer privacy and losses of customer data
Environmental		
<ul style="list-style-type: none"> Energy and Climate Change Management Water Management Waste Management 	<ul style="list-style-type: none"> Effective in energy, climate change, water and waste management 	<ul style="list-style-type: none"> 24,864,888 kWh of electricity, 29,136 litre of petrol and 207,480 litre of diesel used 33,564 m³ of water consumed 777.86 metric tonnes of waste generated with 572.48 metric tonnes being diverted from disposal and 205.38 metric tonnes being directed to disposal
Social		
<ul style="list-style-type: none"> Diversity and Equal Opportunities Talent Development and Retention Human and Labour Rights Occupational Health and Safety Community Contribution and Donation 	<ul style="list-style-type: none"> Promote diversity and inclusivity in the workplace Zero cases of work-related fatalities and ensure workforce is trained on health and safety standards Zero substantiated complaints concerning human rights violations Contribute to the well-being and living standard of the local community 	<ul style="list-style-type: none"> 20% of the Board is represented by female Zero cases of work-related fatalities and 294 employees of workforce trained on health and safety standards Zero substantiated complaints concerning human rights violations Contributed a total of RM207,413 in CSR program

Corporate Membership

Over the years, we have actively contributed to advancing economic, environmental, and social sustainability both individually and in collaboration with others through our involvement in various industry and business associations. We are proud to be a corporate member of the following organisations:

- American Malaysian Chamber of Commerce ("AMCHAM");
- Malaysian Investment Development Authority ("MIDA");
- Federation of Malaysian Manufacturers ("FMM");
- International Organisation for Standardisation ("ISO"); and
- United Nations Global Compact.



SUSTAINABILITY STATEMENT (CONT'D)

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 9001:2015 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.

Corporate Governance and Ethics

Corporate governance and ethical conduct form the foundation of the Group's approach to doing business responsibly and sustainably. To uphold these principles, the Group has established a comprehensive set of policies and procedures designed to promote transparency, accountability, and integrity across all levels of the organisation.

These policies include, but are not limited to, the Anti-Bribery and Corruption ("ABC") Policy, Code of Ethics, and Whistleblowing Policy. Each policy has been formally reviewed and approved by the Board of Directors to ensure alignment with regulatory requirements, industry best practices, and the Group's internal values.

To promote accessibility and awareness, all governance and ethics-related policies are published on the Company's official website, enabling employees, stakeholders, and the public to understand the Group's commitment to high ethical standards.

Anti-Bribery and Corruption Policy

The Group is firmly committed to conducting its business in a transparent, ethical, and lawful manner, guided by the principles of integrity and accountability. To uphold this commitment and to mitigate the risk of unethical practices, the Group has established a comprehensive ABC Policy. This Policy sets out clear guidelines for preventing, identifying, and responding to instances of bribery and corruption that may arise during the Group's business operations.

The ABC Policy applies to all Directors (executive and non-executive), employees (including full-time, part-time, contract, temporary staff, and interns), as well as any third parties providing services to or acting on behalf of the Group. These third parties include, but are not limited to, vendors, contractors, sub-contractors, consultants, transporters, agents, intermediaries, and representatives (collectively referred to as "applicable persons").

The primary objective of the Policy is to provide practical guidance to all Directors, employees, and applicable persons on how to identify, prevent, and report any form of bribery, corruption, or improper gratification. It reinforces the Group's zero-tolerance stance against any form of bribery or corrupt activity, whether direct or indirect.

Training on awareness of ABC Policy and its compliance shall be provided on a regular basis to all existing directors and employees. All new directors and employees shall be provided with this training during orientation. Applicable persons who have business relationship with the Group will be informed of this Policy. All directors, employees and applicable persons will be required to sign a copy of the said Policy as an acknowledgement that they understand and will adhere to it. The percentage of employees who have received training on ABC by employee category is summarised as follows:

	Unit	FY2023	FY2024	FY2025
Executive	%	100	100	100
Non-Executive	%	100	100	100
Manager and above	%	100	100	100



SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC (CONT'D)

Employees and stakeholders are strongly encouraged to report any genuine concerns or suspicions of policy violations or unethical conduct as early as possible. Such reports should be made through the designated whistleblowing channels outlined in the Group's Whistleblowing Policy. The Group ensures that all concerns raised in good faith will be treated seriously and in strict confidence. No individual will face discrimination, retaliation, or disciplinary action for reporting a concern in good faith, even if it turns out to be unfounded. All reports will be promptly investigated, and appropriate corrective or disciplinary actions will be taken where necessary. The Group does not have any confirmed incidents corruption.

	Unit	FY2023	FY2024	FY2025
Number of confirmed incidents of corruption	Number	0	0	0

Presently, the Group does not assess operations for corruption-related risks. Nevertheless, the Group may consider performing a comprehensive corruption-related risks assessment in the future.

	Unit	FY2023	FY2024	FY2025
Percentage of operations assessed for corruption-related risks	%	0	0	0

Code of Ethics

The Code of Ethics is founded on the core principles of sincerity, integrity, accountability, and corporate social responsibility. It has been developed to elevate the standards of corporate governance and promote ethical conduct within the Group.

The Code serves as a guiding framework to achieve the following objectives:

- To establish a clear and consistent standard of ethical behaviour for directors, grounded in trustworthiness and values that are universally respected and upheld.
- To promote and uphold the spirit of responsibility and social accountability, in alignment with all relevant legislation, regulations, and best practice guidelines that govern corporate conduct and company administration.

Whistleblowing Policy

The Group is committed to upholding the highest standards of integrity, accountability, and ethical conduct in all aspects of its business and operations. It strives to operate in a responsible and transparent manner, guided by strong corporate values and ethical principles.

As part of this commitment, all employees and stakeholders including shareholders, suppliers, and customers are encouraged to report any genuine concerns related to unethical behaviour, malpractice, illegal activities, or non-compliance with regulatory requirements. Such concerns can be raised without fear of retaliation, provided the report is made in good faith. The Group maintains a strict policy against any form of harassment or reprisal towards whistleblowers, and treats such actions as serious disciplinary offences.

Concerns should initially be raised with the employee's immediate superior. However, if this is deemed inappropriate or ineffective, the matter may be escalated directly to the Group MD and CEO and/or the Chairman of the ASRC.

All whistleblowing reports will be treated with the utmost confidentiality and will be investigated promptly by the individual receiving the report. If necessary, additional support may be sought from relevant internal functions such as Group Internal Audit, Group Human Resources, or the Group Legal Department. The progress of the investigation will be reported to the ASRC at the next scheduled meeting.

Upon conclusion of the investigation, a recommendation on the appropriate course of action will be submitted to the ASRC for deliberation. Any decision taken by the ASRC will be implemented without delay to ensure accountability and corrective measures are enforced.



SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC (CONT'D)

Product Quality



Product quality is a cornerstone of the Group's reputation and long-term success. It reflects our commitment to meeting customer expectations, complying with regulatory standards, and delivering safe, reliable, and high-performing products. Maintaining high product quality is not only essential for customer satisfaction and retention, but also critical to strengthening our brand credibility in competitive markets.

The Group is committed to a culture of quality excellence, supported by robust quality management systems, continuous process improvements, and strict quality control procedures throughout the production cycle. Regular internal audits, customer feedback reviews, and third-party certifications further reinforce our dedication to quality assurance.

As a result of these ongoing efforts, the Group consistently achieves high levels of customer satisfaction, maintains low product rejection rates, and upholds strong compliance with industry standards. We are proudly certified in ISO 9001: Quality Management, ISO 14001:2015 Environmental Management, ISO 45001:2018 Occupational Health & Safety, and have received a rating from EcoVadis for our sustainability performance. Our successful completion of the annual ISO audit further affirms our commitment to excellence. For EcoVadis, Oriental Fastech Manufacturing (Vietnam) Co., Ltd. achieved silver medal, representing top 15% sustainability performance as of April 2024. We are also subject to regular customer audits and continuously strive to meet and exceed their expectations through ongoing improvements in our quality systems. We remain dedicated to continuous quality improvement to ensure the consistent delivery of value, reliability, and trust to our customers.

Supply Chain Management

We are committed to supporting the sustainability of the local economy by prioritising the engagement of local suppliers wherever possible. We recognise that sourcing locally not only strengthens community-based businesses but also helps to minimise environmental impact by reducing carbon emissions associated with long-distance transportation.

To guide our procurement practices, we have established Purchasing Policy that outlines procedures for sourcing, assessment, selection, and evaluation. As part of this process, we conduct quotation comparisons and perform thorough due diligence to assess the capabilities and suitability of potential suppliers. All Purchase Requisitions and Purchase Orders are reviewed and approved in accordance with our internal approval matrix to ensure compliance and accountability.

Our supplier selection process is based on objective and transparent criteria, including quality, reliability, cost-effectiveness, and sustainability. Where feasible, we prioritise local procurement to align with our commitment to environmental and socio-economic sustainability.

ECONOMIC (CONT'D)

	Unit	FY2023	FY2024	FY2025
Local supplier	%	85	88	88
Foreign supplier	%	15	12	12

To ensure continued alignment with our standards and expectations, we perform regular evaluations of supplier performance. These assessments are based on defined criteria such as product quality, delivery reliability, price competitiveness, adherence to sustainability standards, and commitment to continuous improvement. Where necessary, we also carry out on-site audits to verify compliance and assess operational practices firsthand. The results of these evaluations are communicated to suppliers in a timely manner, enabling them to take corrective actions or implement improvements as needed. This proactive approach fosters greater accountability and supports the development of a more resilient and responsible supply chain.

Economic performance is one of the fundamental indicators of the Group's sustainability and long-term viability. It reflects not only our ability to generate value for shareholders but also our capacity to invest in our people, operations, communities, and environmental initiatives. Recognising its importance, the Group remains firmly committed to maintaining strong financial discipline, driving operational efficiency, and pursuing sustainable growth across all business segments.

Our focus on innovation, customer satisfaction, and responsible cost management has supported the Group's continued profitability and resilience in a dynamic market environment. In the financial year under review, the Group delivered stable performance despite economic uncertainties, demonstrating our ability to adapt and remain competitive. For the FY2025, our revenue increase from RM98.55 million to RM118.52 million. We reported a gross profit of RM13.58 million in FY2025, marking a significant 25.6% increase from RM10.81 million in preceding year.

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We actively participated in trade exhibitions to engage with key industry players and explore potential collaborations with new customers. Notably, we took part in the E-Mobility Asia – Leading International E-Mobility Exhibition, held from 12 to 14 November 2024 at the Kuala Lumpur Convention Centre, Malaysia. This event provided a valuable platform to showcase our capabilities, gain insights into emerging trends, and strengthen our presence within the e-mobility sector.



SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC (CONT'D)



For our existing customers, we conduct regular engagement meetings to understand their evolving needs, concerns, and expectations. In addition, we periodically administer customer satisfaction surveys to gather structured feedback on their experiences with our products and services. The feedback collected is then analysed against predefined targets, and the insights gained are used to develop and implement action plans aimed at driving continuous improvement. The Group administers customer satisfaction survey to selected customers and achieved an average customer satisfaction score of 89% during the financial year under review.

Data Privacy and Security

We recognise the importance of maintaining a secure computing environment to protect its information assets, ensure business continuity and safeguard the privacy of employees, customers and stakeholders. We developed IT Security Policy to outline the principles, provide the guidelines and procedures for effectively managing the information security within the organisation. Some of our key initiatives include:

- ✓ **Risk Mitigation Measures:** Implementing appropriate controls, safeguards, and countermeasures to effectively mitigate identified risks and enhance overall security posture.
- ✓ **Compliance Monitoring:** Continuously monitoring adherence to established policies, standards, and procedures to ensure regulatory and internal compliance.
- ✓ **Employee Awareness and Training:** Providing comprehensive security awareness training and guidance to all employees to foster a security-conscious culture and reduce human-related risks.

The Group does not have any substantiated complaints concerning breaches of customer privacy and losses of customer data.

	Unit	FY2023	FY2024	FY2025
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0



SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENT

The Group is committed to safeguarding the environment and continuously strives to minimise any potential adverse effects of its business operations that may impact the surrounding community and ecosystem. Recognising the environmental implications of its day-to-day activities, the Group remains dedicated to operating in an environmentally responsible manner. This includes achieving excellence in manufacturing through the implementation of environmentally sustainable practices and the ongoing review of internal controls and standard operating procedures.

To support this commitment, the Group's manufacturing plants are accredited with ISO 14001, a recognised international standard for Environmental Management Systems. This accreditation underscores the Group's structured approach to managing environmental responsibilities in a way that contributes to long-term sustainability.

During the financial year, environmental audits were carried out in accordance with the ISO 14001 standards, focusing on key environmental aspects, associated risks, and the Group's environmental objectives. In line with these standards, comprehensive systems are in place to monitor and measure factors such as noise exposure, air pollution, scheduled waste disposal, and sewage discharge. These monitoring activities ensure that the Group continues to meet all applicable environmental laws and regulatory requirements.

A dedicated Kaizen team was established to drive continuous improvement initiatives across various operational areas within the plant. While the team's efforts span a wide range of process enhancements, several initiatives have directly contributed to reducing the plant's environmental footprint, such as improving energy efficiency and minimising waste. In addition to the environmental benefits, these initiatives have also resulted in significant cost savings, reinforcing the value of a culture of continuous improvement.

Energy and Climate Change Management

Climate change is one of the most pressing global challenges, driven in large part by greenhouse gas emissions from energy use. As a responsible corporate citizen, the Group recognises the urgent need to reduce its carbon footprint and improve energy efficiency to contribute to a more sustainable future. The Group is committed to reducing its energy consumption and carbon emissions through promoting environmentally conscious work practices such as energy saving practices across its operations to minimise environmental impact.

For Oriental Fastech Manufacturing (Vietnam) Co., Ltd., the company actively participated in the Schneider Electric Manufacturing Vietnam ("SEMV") Customer's Zero Carbon Program, where it was honoured with an award in recognition of its commitment to reducing Greenhouse Gas Emissions (Scope 2). The company successfully achieved a 52% reduction in emissions intensity per million USD of sales revenue, demonstrating its significant progress in meeting its sustainability goals.



Certificate of Appreciation received from our customer for Zero Carbon Project 2024



SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENT (CONT'D)

Looking ahead, the Group is determined to implement similar carbon reduction goals across all its subsidiaries, with a unified target to be set in the near future. Additionally, we will subscribe to the Green Electricity Tariff Program 2025, which was introduced as an option for Tenaga Nasional Berhad (“TNB”) consumers to reduce their carbon footprint from electricity consumption. This commitment underscores the Group’s ongoing dedication to sustainability and its proactive role in the global effort to combat climate change.

Some of the key initiatives include:

- ✓ **Monthly monitoring:** energy consumption is tracked monthly and any unusual deviations are promptly investigated and addressed.
- ✓ **Employee awareness:** employees are educated to switch off air-conditioning and lights during breaks and after office hours. Employees are encouraged to avoid unnecessary energy use, contributing to a reduction in the Group’s overall carbon footprint.
- ✓ **Machinery upgrade and maintenance:** we upgrade our machineries periodically, supported by structured maintenance programs designed to optimise operational efficiency and reduce energy consumption.
- ✓ **LED lighting:** LED lighting is installed throughout our facility to reduce energy consumption.



- ✓ **Tree planting:** as part of our commitment to addressing climate change, we actively support tree planting initiatives aimed at enhancing carbon sequestration as trees naturally absorb carbon dioxide from the atmosphere, making tree planting a practical solution for offsetting emissions generated through our operations. In line with this, we have undertaken efforts to plant trees around our factory premises, not only to support carbon absorption but also to enhance the local environment and promote greener, more sustainable industrial spaces.
- ✓ **Purchase of Renewable Energy Certificates (“RECs”):** as part of our efforts to reduce our carbon footprint and support the transition to clean energy, the Group has purchased RECs from a qualified provider, Go Net Zero Pte Ltd. This initiative reflects our commitment to responsible energy sourcing and contributes to the development of renewable energy infrastructure.

The energy consumption is summarised as follows:

	Unit	FY2023	FY2024	FY2025
Electricity	kWh	6,992,684	9,605,483	24,864,888
Petrol	Litre	22,942	26,156	29,136
Diesel	Litre	125,580	382,200	207,480



SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENT (CONT'D)

Water Management

Water scarcity and inefficient usage are among the most pressing global environmental concerns. Although the locations where the Group operates are not currently affected by water scarcity, we fully recognise the importance of water conservation as a means to protect natural ecosystems and support the Group's operational efficiency and long-term sustainability objectives.

The Group sources its water exclusively from established municipal water supply companies that maintain robust and well-developed distribution infrastructure. We do not extract water from surface sources such as rivers, lakes, natural ponds, or from groundwater sources including wells, boreholes, quarry water, or seawater. Wastewater treatment system is in place to ensure all water discharged meets the standards before entering the industrial zone's treatment system.

- ✓ **Monthly monitoring:** Water consumption is monitored monthly for any abnormal spikes.
- ✓ **Immediate action on leaks:** Any water leakage identified is immediately repaired to conserve water resources.

The water consumption is summarised as follows:

	Unit	FY2023	FY2024	FY2025
Water	m ³	30,721	29,615	33,564

Waste Management

Improper waste disposal contributes to pollution and resource depletion. Hence, the Group ensures that waste is properly managed. By managing waste efficiently, the Group supports a circular economy and minimises its environmental impact. The Group is committed to minimizing waste generation, maximising recycling and disposing of non-recyclable waste responsibly, in accordance with relevant environmental regulations.

The Group fosters environmentally conscious behavior by minimizing waste and promoting recycling through:

- ✓ **Waste segregation and collection:** Used materials such as papers or paper cartons are reused, where possible, or collected by scrap collector to recycling centre.
- ✓ **Responsible disposal:** Non-recyclable waste is disposed of responsibly in compliance with regulatory requirements through appointed waste contractor.
- ✓ **Print reduction policies:** Employees are encouraged to limit printing and photocopying.
- ✓ **Sustainable printing:** Where printing is necessary, staff are urged to use double-sided printing and recycled paper.
- ✓ **Digitalisation:** 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. Printed copies of the Annual Report are made available upon request to shareholders who prefer physical copies.

The waste directed to disposal and diverted from disposal are summarised as follows:

	Unit	FY2023	FY2024	FY2025
Waste generated	Metric tonnes	577.25	789.57	777.86
Waste diverted from disposal	Metric tonnes	386.14	597.59	572.48
Waste directed to disposal	Metric tonnes	191.11	191.98	205.38



SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL

Diversity and Equal Opportunities

We recognise that diversity is not only a moral and social imperative but also a strategic advantage that drives innovation, enhances decision-making, and supports long-term sustainability. A diverse and inclusive organisation is better equipped to respond to complex challenges, reflect the communities we serve, and build a resilient, socially responsible future.

We are committed to fostering an inclusive, equitable, and respectful environment where individuals of all backgrounds regardless of race, ethnicity, gender, age, disability, sexual orientation, religion, or socioeconomic status are valued, empowered, and given equal opportunities to thrive.

This commitment extends across all levels of our organisation, including the Board of Directors. We firmly believe that a wide range of perspectives and experiences contributes to more robust governance, improved strategic oversight, and enhanced organisational performance. To ensure this, our Nominating Committee conducts an annual review of the Board's structure, size, and diversity. This includes, without limitation, considerations of gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, and tenure. Based on this assessment, the Committee provides recommendations to the Board regarding any adjustments needed to strengthen its composition and effectiveness.

The composition of the Board of Directors is summarised as follows:

	FY2023		FY2024		FY2025	
	Pax	%	Pax	%	Pax	%
Gender						
Male	6	86%	5	71%	4	80%
Female	1	14%	2	29%	1	20%
Age						
Below 30	0	0%	0	0%	0	0%
30-50	2	29%	2	29%	0	0%
Above 50	5	71%	5	71%	5	100%

To further reinforce our commitment to diversity and equal opportunity, we have established fair and transparent practices across all stages of the employee lifecycle including recruitment, hiring, training, and promotion. These processes are designed to be free from discrimination, unconscious bias, and systemic barriers, ensuring that all individuals are assessed solely on their skills, experience, and potential.

We uphold a zero-tolerance policy towards any form of harassment, discrimination, or inappropriate conduct in the workplace. Creating a safe, respectful, and inclusive environment is a shared responsibility, and we actively promote a culture where everyone feels valued and empowered to contribute.



SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

As at FY2025, we have a total of 879 employees. Our employee distribution is summarised as follows:

	FY2023		FY2024		FY2025	
	Pax	%	Pax	%	Pax	%
Gender						
Male	327	60%	547	67%	559	64%
Female	222	40%	267	33%	320	36%
Age						
Below 30	187	34%	362	44%	392	44%
30-50	315	57%	395	49%	419	48%
Above 50	47	9%	57	7%	68	8%
Employee Category						
Executive	135	25%	148	18%	149	17%
Non-Executive	370	67%	613	75%	674	77%
Manager and above	44	8%	53	7%	56	6%
Gender by Employee Category						
Executive – Male	69	51%	71	48%	66	44%
Executive – Female	66	49%	77	52%	83	56%
Non-Executive – Male	229	62%	443	72%	453	67%
Non-Executive – Female	141	38%	170	28%	221	33%
Manager and above – Male	29	66%	33	62%	40	71%
Manager and above – Female	15	34%	20	38%	16	29%
Age by Employee Category						
Executive – Below 30	22	16%	31	21%	32	21%
Executive – 30-50	98	73%	103	70%	101	68%
Executive – Above 50	15	11%	14	9%	16	11%
Non-Executive – Below 30	164	44%	329	54%	358	53%
Non-Executive – 30-50	187	51%	261	42%	290	43%
Non-Executive – Above 50	19	5%	23	4%	26	4%
Manager and above – Below 30	1	2%	2	4%	2	4%
Manager and above – 30-50	27	61%	31	58%	28	50%
Manager and above – Above 50	16	37%	20	38%	26	46%



SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

Talent Development and Retention

Recognising that its employees are the Group's most valuable asset and a key driver of long-term success, the Group remains deeply committed to human capital development. We continue to invest in our people by fostering a culture of continuous learning and professional growth, enabling them to realise their full potential.

To support this, we offer a wide range of on-the-job training opportunities, including both internal programmes and external courses. These initiatives are designed to equip employees with the skills, knowledge, and competencies necessary to perform their roles effectively and efficiently. Beyond operational readiness, our development efforts also aim to support individual career aspirations and promote personal growth, ensuring a workforce that is agile, empowered, and future-ready.

The total hours of training by employee category:

	Unit	FY2023	FY2024	FY2025
Executive	Hours	849.00	1,629.50	2,081.00
Non-Executive	Hours	1,802.00	1,467.50	3,335.00
Manager and above	Hours	173.00	420.50	266.00

We strive to create a workplace culture that supports employee well-being, inclusion, and long-term engagement. We offer market-aligned remuneration packages, incentives, and benefits that support both financial security and personal well-being. In addition, we regularly conduct engagement surveys and feedback sessions to better understand employee needs and improve workplace practices. In FY2025, Oriental Fastech Manufacturing (Vietnam) Co., Ltd. conducted an Employee Engagement and Workplace Compliance Survey, achieving a 100% participation rate (103 out of 103 employees). The survey comprised 15 questions assessed on a 2–10 scoring scale, covering key areas such as workplace satisfaction, occupational health and safety, and employee rights. We achieved an average total score of 130 and average score per question is 8.9. The results reflect strong employee engagement and satisfaction. Notable highlights include perfect scores (10) in critical areas such as the elimination of recruitment fees and prohibition of child labour, as well as high scores in safety and environmental training (9.5). These results demonstrate the company's deep commitment to employee welfare, rights protection, and maintaining a safe, inclusive, and compliant work environment.

The total number of employee turnover by employee category is summarised as follows:

	Unit	FY2023	FY2024	FY2025
Executive	Number	36	41	23
Non-Executive	Number	99	153	85
Manager and above	Number	10	18	9

We actively organise a variety of employee engagement activities throughout the year to foster a positive and collaborative work environment. These include team building sessions, sports, festive celebrations, annual dinner, company trip and etc.



Bowling Tournament



SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)



Festive Celebrations



Annual Dinner



SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

Human and Labour Rights

We are committed to respecting and upholding fundamental human and labour rights as part of our responsibility to operate ethically and sustainably. We recognise our role in promoting dignity, fairness and equality for all individuals within our workforce and across our value chain. We strictly prohibit the use of any form of forced and child labour in our operations and supply chain. We ensure that all employees are provided with safe, healthy and respecting working environment. We comply with all applicable wage laws and labour standards, ensuring fair compensation and reasonable working hours. 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.

Additionally, a dedicated whistleblowing mechanism has been established to provide a safe, confidential, and accessible channel for reporting any concerns related to human rights violations or unethical conduct. This mechanism ensures that all reports are handled with integrity and impartiality, and that appropriate investigations are conducted in a timely manner. Through this process, the Group reinforces its commitment to upholding human rights across all levels of the organisation. It enables employees, business partners, and stakeholders to raise concerns without fear of retaliation, and supports effective resolution of issues in line with our ethical standards and legal obligations.

The number of substantiated complaints concerning human rights violations is summarised as follows:

	Unit	FY2023	FY2024	FY2025
Number of substantiated complaints concerning human rights violations	Number	0	0	0

Occupational Health and Safety

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.

- ✓ **Workplace Evaluations:** Conducted by a dedicated 5S Team, organised into workgroups, to ensure a clean and orderly environment while identifying and addressing potential safety hazards. In addition, quarterly monitoring of workplace conditions—including air quality, noise levels, and lighting ensures a healthy and safe environment. We also perform comprehensive risk evaluations for any operational changes within the factory. Furthermore, the quality of drinking water is regularly checked to ensure its safety for employee consumption.
- ✓ **Legal Compliance:** We are committed to full compliance with local occupational health and safety regulations and continuously monitor updates to applicable laws and requirements. To ensure alignment with regulatory standards and best practices, our operations are subject to periodic assessments by third-party auditors, customers, and internal audit teams.



SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

- ✓ **Safety and Health Awareness Training:** Annual occupational safety and health training sessions, fire drill, chemical spillage drill and first aid training are provided to all employees to foster awareness of safety protocols and promote safe work practices. Regular communication through training sessions, team meetings, and internal newsletters keeps employees informed and engaged in safety and health matters. The number of employees trained on health and safety is summarised as follows:

	Unit	FY2023	FY2024	FY2025
Number of employees trained on health and safety	Number	192	226	294

- ✓ **Health Check-ups:** We conduct general health check-ups as well as regular occupational health assessments to monitor and support the well-being of our employees.
- ✓ **Machine Safety and Maintenance:** We prioritise the continuous improvement of machine safety and complement this with scheduled preventive maintenance, ensuring that all equipment remains in optimal working condition to minimise operational risks.
- ✓ **Provision of Personal Protective Equipment (“PPE”):** We ensure that all employees are fully equipped with the appropriate PPE, maintaining a safe and protective working environment.
- ✓ **Emergency Preparedness Drills:** Regular fire drills, first aid training, and chemical spill response exercises are conducted to enhance emergency preparedness and improve employees’ real-life response capabilities.
- ✓ **Incident and Near-Miss Investigations:** We conduct thorough investigations into any incidents or near-misses, followed by comprehensive follow-up actions to prevent recurrence and continually enhance safety protocols. The number of work-related fatalities and lost time incident rate are summarised as follows:

	Unit	FY2023	FY2024	FY2025
Number of work-related fatalities	Number	0	0	0
Lost time incident rate	Rate	0	0	0

Community Contribution and Donation





SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

The Group recognises its responsibility to contribute meaningfully to the communities in which it operates and is committed to creating a positive social impact through both financial and non-financial initiatives. During the financial year, the Group extended its support to various charitable and community-focused initiatives through donations, sponsorships, and in-kind contributions. In FY2025, we contributed RM207,413 to the community, benefiting a total of 11 institutions/organisations. These efforts reflect our commitment to uplifting society and addressing the needs of underserved communities.

Period	Contribution	Amount (RM)
April 2024	Sempena Hari Bumi 2024	3,000
	Penang Adventist Hospital Charity Fund for cancer fund	1,000
	Contribution to Penang Inter-school scrabble competition 2024	5,000
May 2024	Contribution to Pertubuhan Penang Hill P84	10,000
August 2024	Contribution to Kelab Tarian Sekolah Menengah Jenis Kebangsaan Jit Sin	1,000
September 2024	Donated both cash and daily necessities to Tu Tam Shelter, benefited approximately 100 children from Tu Tam Shelter	1,713
	Contribution for education fund for scholarship	150,000
	Mooncake fund rising charity project	700
October 2024	Donation to LIONS club charity golfathon 2024	7,000
	Contribution to Piala Badminton Ketua Menteri Pulau Pinang 2024	2,000
	Contribution to Kelab Sukan Majlis Bandaraya Pulau Pinang	26,000
Total (RM)		207,413

In addition to charitable giving, the Group continued to invest in human capital development by offering structured industrial training programmes for students from local institutions, colleges, and universities. These placements provide students with practical, hands-on experience while enabling the Group to engage with emerging talent. This initiative not only supports individual career development but also contributes to the broader national agenda of strengthening Malaysia's workforce.

Through these combined efforts ranging from donations and community support to educational partnerships the Group reaffirms its role as a socially responsible organisation dedicated to sustainable and inclusive growth.

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 25 July 2025.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

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” or “SORMIC”) 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 ended 31 March 2025 (“FY2025”) and up to date of approval of this Statement. This Statement is prepared in accordance with Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“ACE LR”) and Principle B of the Malaysian Code on Corporate Governance 2021 (“MCCG”), with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

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 as well as 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 (“ASRC”), maintains risks oversight for the Group by carrying out the following:

- a) Ongoing reviews with the key management within the Group on the development and maintenance of risk management and internal control framework.
- b) 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.
- c) 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 ASRC and Board.



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

RISK MANAGEMENT (CONT'D)

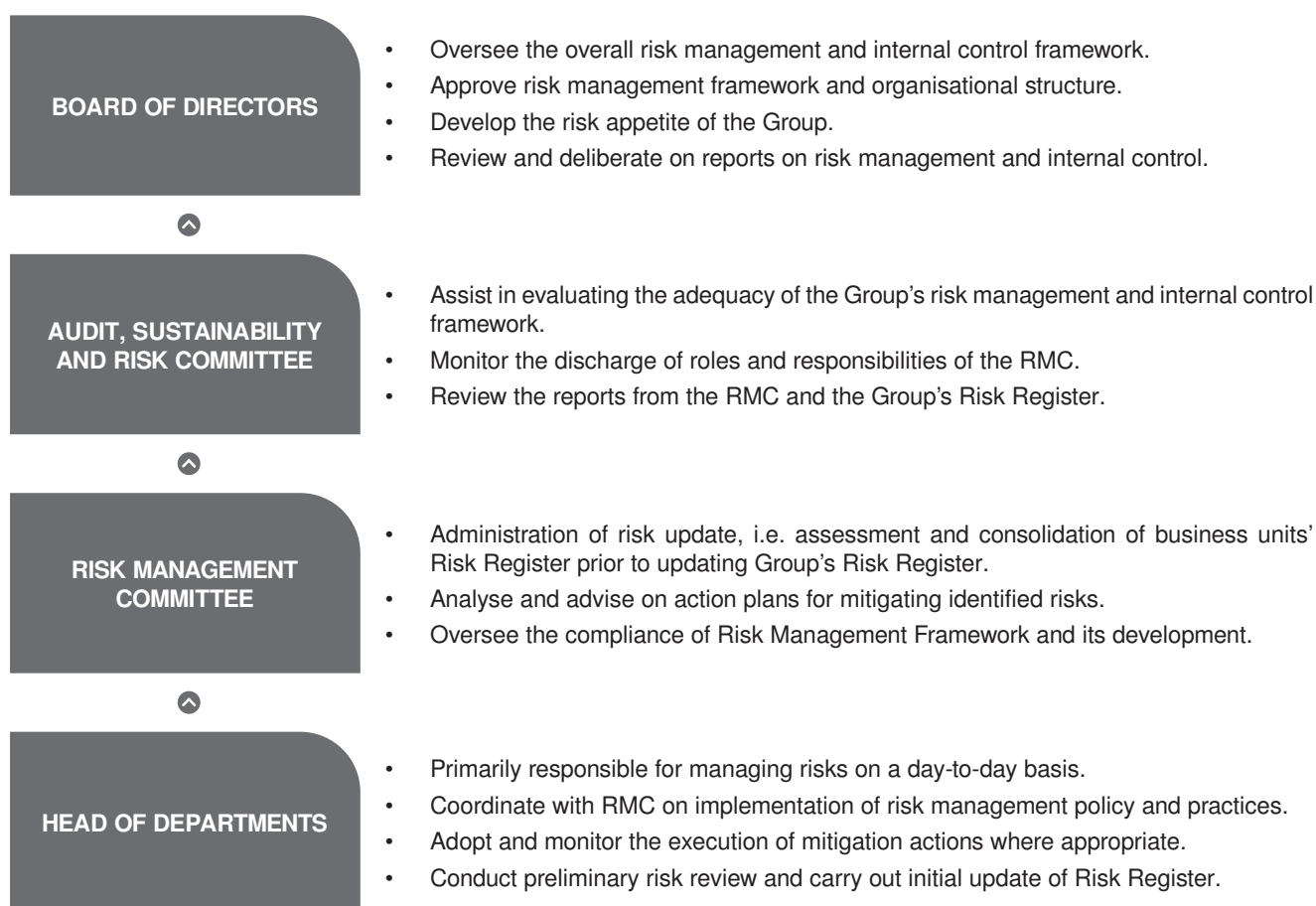
Risk Management Framework

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 Process

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

- a) Risk Identification Process
 - Procedures of identifying all hazards, threats or opportunities which may impact the achievement of the Group's business objectives.
- b) 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.
- c) 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.
- d) Risk Monitoring and Reporting
 - Procedures which include the review of the status of action plans and key performance indicators, where applicable, 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:

- a) The Board has established a hierarchical organisation structure with proper segregation of duties for key functions of the operations of the Group.
- b) Delegation and separation of responsibilities between the Board and the Management and the establishment of various Board committees and the presence of independent Directors in overseeing the financial, compliance and operation performance of the Management.
- c) 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.
- d) 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 a confidential manner and investigated immediately.



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

INTERNAL CONTROL (CONT'D)

- e) 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.
- f) An annual budget is 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.
- g) The Group's performance is monitored through management and operational meetings attended by senior management. The Group Managing Director & Chief Executive Officer is also actively involved in the day-to-day operations of the Group.
- h) 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.
- i) Quarterly and yearly financial and management reports are submitted to the ASRC and the Board for review and approval.
- j) 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.
- k) Through internal audits, the ASRC 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 consulting firm (the "**Internal Auditors**") which carries out its functions independently using the risk-based approach and provides the ASRC 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:

- a) Prepare a detailed Annual Audit Plan in consultation with the senior management on the scope and frequency of the internal audit activities for the ASRC's approval.
- b) Carry out all activities to conduct the audits in an effective, professional and timely manner.
- c) 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.
- d) Report to the ASRC on a quarterly basis on any non-compliance, internal control weaknesses and agreed actions taken by Management to resolve the audit issues that have been identified.

ASSURANCE FROM MANAGEMENT

The Board has received written assurance from the Group Managing Director and Chief Executive 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 Company for FY2025 in accordance with Audit and Assurance Practice Guide 3 ("**AAPG 3**"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the annual report and has reported to the Board that based on their review procedures performed and evidence obtained, nothing has come to their attention that cause them to believe that this Statement, in all material respects:

- (a) has not been prepared in accordance with the disclosure required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- (b) is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and Management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report 2025 will, in fact, remedy the problems

CONCLUSION

The Board is of the view that the risk management and internal control systems of the Group for FY2025 and as at the date of this Statement is sound and sufficient to safeguard the interest of shareholders, customers, employees and the Group's assets. The Board continues to take pertinent measures to sustain and, where required, to improve and strengthen the Group's risk management and internal control systems in achieving the Group's strategic objectives.

This Statement is made in accordance with a resolution of the Board dated 25 July 2025.



DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

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 2025**.

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 7 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	<u>(10,897,315)</u>	<u>(4,374,188)</u>
Attributable to:		
Owners of the Company	(10,087,704)	(4,374,188)
Non-controlling interests	<u>(809,611)</u>	<u>-</u>
	<u>(10,897,315)</u>	<u>(4,374,188)</u>

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 2025** 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.

DIRECTORS' REPORT (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

SHARE CAPITAL AND DEBENTURE

During the financial year, the Company has increased its issued and paid-up share capital from RM38,175,270 to RM64,237,782 by way of the following:

- i. allotted 26,700,000 new ordinary shares at an issue price of approximately RM0.7132 (net of share issuance expenses) per share pursuant to a private placement. The proceeds were used for working capital and business expansion purposes; and
- ii. issuance of 12,513,506 new ordinary shares amounting to RM7,019,913 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 and did not grant any option to anyone to take up unissued shares of the Company.

TREASURY SHARES

During the financial year, the Company has repurchase 3,110,000 of its issued ordinary shares from the open market for total consideration RM1,772,164. The average price paid for the shares repurchased was approximately RM0.5698 per share and was financed by internally generated funds.

Out of the total 297,671,091 issued and fully paid ordinary shares as at 31 March 2025, 3,110,000 are held as treasury shares by the Company and treated in accordance with the requirements of Section 127(6) of the Companies Act 2016. As at 31 March 2025, the number of ordinary shares in issue and fully paid is therefore 294,561,091 ordinary shares.

Further relevant details are disclosed in Note 15 to the financial statements.

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 33 to the financial statements.

As at 31 March 2025, the options offered to take up unissued ordinary shares and the exercise prices are as follows:

----- Number of share options over ordinary shares -----						
Grant date	Exercise price RM	Balance at 1.4.2024	Granted	Exercised	Forfeited	Balance at 31.3.2025
5.8.2020	0.125	6,775,400	-	(6,156,400)	(422,000)	197,000
20.4.2023	0.605	29,334,000	-	(6,182,106)	(3,224,000)	19,927,894
4.7.2024	0.700	-	10,110,000	(175,000)	(750,000)	9,185,000
19.12.2024	0.700	-	800,000	-	-	800,000

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



DIRECTORS' REPORT (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

DIRECTORS

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

Directors of the Company:

- Dato' Dr. Mohd Sofi Bin Osman**
- * **Yong Chan Cheah**
- Dato' Jimmy Ong Chin Keng**
- Gor Siew Yeng**
- Low Hee Chung**
- * **Yong Li-Xiang (alternate director to Yong Chan Cheah)**
- *# **Poa Mei Ling (resigned on 19.8.2024)**
- *@ **Yong Swee Chuan (resigned on 20.8.2024)**

Directors of the subsidiaries:

Low Maan Teong
Poa Mei Ling
Khor Sian Phang (retired on 9.8.2024)
Khor Leong (resigned on 20.9.2024)
Neoh Sze Tsin (appointed on 15.3.24; resigned on 30.6.2025)

- * The directors are also directors of the Company's certain subsidiaries.
- # The director also ceased to be the director of certain subsidiaries.
- @ The director also ceased to be the director of the subsidiaries.

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 1.4.2024	ESOS exercised	Sold	Balance at 31.3.2025
The Company:				
Direct Interest:				
Yong Chan Cheah	1,045,200	1,045,200	-	2,090,400
Low Hee Chung	340,000	160,000	-	500,000
Gor Siew Yeng	304,000	76,000	-	380,000

Deemed Interest:

¹ Yong Chan Cheah	36,247,579	-	-	36,247,579
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	----- Number of options under ESOS -----			
	Balance at 1.4.2024	Granted	Exercised	Balance at 31.3.2025
The Company:				
Direct Interest:				
Dato' Dr. Mohd Sofi Bin Osman	-	300,000	-	300,000
Yong Chan Cheah	3,287,200	1,000,000	(1,045,200)	3,242,000
Low Hee Chung	360,000	150,000	(160,000)	350,000
Gor Siew Yeng	226,000	150,000	(76,000)	300,000
Dato' Jimmy Ong Chin Keng	150,000	150,000	-	300,000
Yong Li-Xiang	900,000	150,000	-	1,050,000

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

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' REPORT (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

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	211,800	-	211,800
Salaries, bonus and allowances	1,538,028	892,158	2,430,186
Defined contribution plans	271,849	154,206	426,055
Social security contributions and employment insurance	2,744	1,779	4,523
Equity-settled share-based payments	724,343	712,048	1,436,391
Benefits-in-kind	36,479	20,167	56,646
	2,785,243	1,780,358	4,565,601

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** (2024: RM4,600,000) and **RM7,714** (2024: RM7,815) 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 adequate provision had been made for doubtful debts; 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.

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 the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; 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.



DIRECTORS' REPORT (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

OTHER STATUTORY INFORMATION (CONT'D)

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.

SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL YEAR

The details of the significant events during and after the financial year are disclosed in Note 34 to the financial statements.

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 and its member firms and affiliates as remuneration for their services to the Group and the Company for the financial year ended 31 March 2025 are as follows:

	GROUP RM	COMPANY RM
Statutory audit	188,000	53,000
Assurance related services	569,600	569,600
Other services	495,680	495,680
Total	<u>1,253,280</u>	<u>1,118,280</u>

The Group and Company have 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

.....
Dato' Jimmy Ong Chin Keng

Date: 25 July 2025



DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 70 to 143 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 2025** 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

.....
Dato' Jimmy Ong Chin Keng

Date: 25 July 2025



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 70 to 143 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 **25th**)
day of **July 2025**.)

.....
Yong Chan Cheah

Before me,

.....
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 2025** 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 70 to 143.

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 2025** 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 21 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 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 the effectiveness of the key controls in place for revenue recognition; • On sampling 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 8 to the financial statements)</p> <p>As at 31 March 2025, 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 7 to the financial statements)</p> <p>The carrying amount of the Company's investment in subsidiaries as at 31 March 2025 is RM52.87 million which accounted for approximately 61% 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 investment in these subsidiaries exceeds their recoverable amount. 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.

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.



INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF YBS INTERNATIONAL BERHAD

(INCORPORATED IN MALAYSIA) REGISTRATION NO.: 200201014380 (582043-K)

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.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for the purpose 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.



INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF YBS INTERNATIONAL BERHAD

(INCORPORATED IN MALAYSIA) REGISTRATION NO.: 200201014380 (582043-K)

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

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 7 to the financial statements.

Other Matter

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.

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

Terence Lau Han Wen
No. 03298/04/2027 J
Chartered Accountant

Penang

Date: 25 July 2025



STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	NOTE	GROUP			COMPANY	
		2025	(Restated) 2024	(Restated) 1.4.23	2025	2024
		RM	RM	RM	RM	RM
ASSETS						
Non-current assets						
Property, plant and equipment	4	53,747,725	93,603,868	95,064,714	808,738	7,275
Investment properties	5	95,000,000	-	-	-	-
Right-of-use assets	6	1,348,280	1,811,829	878,451	-	-
Investment in subsidiaries	7	-	-	-	52,874,429	53,296,422
Goodwill	8	10,655,631	10,655,631	10,655,631	-	-
Trade and other receivables, deposits and prepayments	9	437,034	357,365	-	7,883,082	3,297,580
Deferred tax assets	10	450,695	405,123	470,328	-	10,000
		<u>161,639,365</u>	<u>106,833,816</u>	<u>107,069,124</u>	<u>61,566,249</u>	<u>56,611,277</u>
Current assets						
Inventories	11	15,152,919	16,612,273	17,172,153	-	-
Trade and other receivables, deposits and prepayments	9	25,786,798	20,808,741	18,973,550	15,795,135	1,711,238
Current tax assets		678,546	507,026	642,715	117,430	22,438
Other investment	12	423,654	2,388,900	2,329,307	-	-
Cash and bank balances	13	21,069,570	15,225,771	13,723,644	9,405,541	262,322
		<u>63,111,487</u>	<u>55,542,711</u>	<u>52,841,369</u>	<u>25,318,106</u>	<u>1,995,998</u>
TOTAL ASSETS		<u>224,750,852</u>	<u>162,376,527</u>	<u>159,910,493</u>	<u>86,884,355</u>	<u>58,607,275</u>
EQUITY AND LIABILITIES						
Share capital	14	64,237,782	38,175,270	37,310,440	64,237,782	38,175,270
Treasury shares	15	(1,772,164)	-	-	(1,772,164)	-
Reserves	16	55,238,013	5,755,729	1,352,430	7,514,749	5,436,434
Retained profits	17	18,464,147	28,663,931	35,246,087	8,994,574	13,300,901
		<u>136,167,778</u>	<u>72,594,930</u>	<u>73,908,957</u>	<u>78,974,941</u>	<u>56,912,605</u>
Non-controlling interests		-	1,029,670	1,502,434	-	-
Total equity		<u>136,167,778</u>	<u>73,624,600</u>	<u>75,411,391</u>	<u>78,974,941</u>	<u>56,912,605</u>

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



STATEMENTS OF FINANCIAL POSITION (CONT'D)

AS AT 31 MARCH 2025

	NOTE	GROUP			COMPANY	
		2025	(Restated) 2024	(Restated) 1.4.23	2025	2024
		RM	RM	RM	RM	RM
Non-current liabilities						
Trade and other payables and accruals	18	-	756,287	765,983	-	-
Borrowings	19	41,075,241	45,121,298	48,876,072	-	-
Lease liabilities	6	964,642	1,453,114	369,461	-	-
Deferred tax liabilities	10	10,719,279	171,500	750,088	-	-
Deferred income	20	1,355,209	1,515,668	1,271,684	-	-
		<u>54,114,371</u>	<u>49,017,867</u>	<u>52,033,288</u>	<u>-</u>	<u>-</u>
Current liabilities						
Trade and other payables and accruals	18	21,527,389	27,461,139	21,688,486	7,909,414	1,694,670
Borrowings	19	12,226,757	11,600,888	10,045,408	-	-
Lease liabilities	6	714,557	672,033	731,920	-	-
		<u>34,468,703</u>	<u>39,734,060</u>	<u>32,465,814</u>	<u>7,909,414</u>	<u>1,694,670</u>
Total liabilities		<u>88,583,074</u>	<u>88,751,927</u>	<u>84,499,102</u>	<u>7,909,414</u>	<u>1,694,670</u>
TOTAL EQUITY AND LIABILITIES		<u>224,750,852</u>	<u>162,376,527</u>	<u>159,910,493</u>	<u>86,884,355</u>	<u>58,607,275</u>

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



STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	NOTE	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	21	118,520,936	98,544,595	25,363,364	722,777
Cost of sales		(104,942,834)	(87,737,540)	(14,213,207)	-
Gross profit		13,578,102	10,807,055	11,150,157	722,777
Other income		3,938,308	2,476,967	158	46,227
Administrative and other operating expenses		(23,343,918)	(16,956,288)	(15,795,057)	(1,037,463)
Selling and distribution expenses		(1,041,176)	(1,637,241)	-	-
(Addition)/Reversal of allowance for expected credit losses		(135,571)	76,394	-	-
Operating loss		(7,004,255)	(5,233,113)	(4,644,742)	(268,459)
Finance income	22	279,783	210,658	302,879	157,319
Finance costs	23	(2,721,917)	(2,948,379)	-	-
Loss before tax	24	(9,446,389)	(7,970,834)	(4,341,863)	(111,140)
Taxation	25	(1,450,926)	87,037	(32,325)	(87,597)
Loss for the financial year		(10,897,315)	(7,883,797)	(4,374,188)	(198,737)
Other comprehensive income, net of tax:					
Item that will be reclassified subsequently to profit or (loss):					
Foreign currency translation differences for foreign operation		(156,129)	(283,978)	-	-
Item that will not be reclassified subsequently to profit or (loss):					
Revaluation of leasehold land and buildings		47,560,098	-	-	-
Total comprehensive income/(loss) for the financial year		36,506,654	(8,167,775)	(4,374,188)	(198,737)

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



STATEMENTS OF COMPREHENSIVE INCOME (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	NOTE	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
Loss attributable to:					
Owners of the Company		(10,087,704)	(6,631,133)	(4,374,188)	(198,737)
Non-controlling interest		(809,611)	(1,252,664)	-	-
		<u>(10,897,315)</u>	<u>(7,883,797)</u>	<u>(4,374,188)</u>	<u>(198,737)</u>
Total comprehensive income/(loss) attributable to					
Owners of the Company		37,316,265	(6,915,111)	(4,374,188)	(198,737)
Non-controlling interest		(809,611)	(1,252,664)	-	-
		<u>36,506,654</u>	<u>(8,167,775)</u>	<u>(4,374,188)</u>	<u>(198,737)</u>
Earnings per share attributable to owners of the Company (sen)					
- Basic	26	(3.74)	(2.59)		
- Diluted	26	<u>(3.67)</u>	<u>(2.49)</u>		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Attributable to Owners of the Company						
	Non-distributable			Distributable			
	Foreign						
NOTE	Share Capital RM	Treasury Shares RM	ESOS Reserve RM	Translation Reserve RM	Revaluation Reserve RM	Retained Profits RM	Total RM
						Non-Controlling Interests RM	Total Equity RM
2025							
Balance at beginning	38,175,270	-	5,436,434	319,295	-	28,663,931	72,594,930
Total comprehensive (loss)/profit for the financial year	-	-	-	(156,129)	47,560,098	(10,087,704)	37,316,265
<i>Transactions with owners of the Company</i>							
7 Issuance of shares pursuant to:	-	-	-	-	-	(179,941)	(179,941)
14 ESOS exercised	7,019,913	-	(2,387,689)	-	-	-	4,632,224
ESOS granted	-	-	4,533,865	-	-	-	4,533,865
ESOS forfeited	-	-	(67,861)	-	-	67,861	-
14 Private placement	19,042,599	-	-	-	-	-	19,042,599
15 Purchase of treasury shares	-	(1,772,164)	-	-	-	-	(1,772,164)
Total transactions with owners of the Company	26,062,512	(1,772,164)	2,078,315	-	-	(112,080)	26,256,583
Balance at end	64,237,782	(1,772,164)	7,514,749	163,166	47,560,098	18,464,147	136,167,778
2024							
Balance at beginning	37,310,440	-	749,157	603,273	-	35,246,087	73,908,957
Total comprehensive loss for the financial year	-	-	-	(283,978)	-	(6,631,133)	(8,167,775)
<i>Transactions with owners of the Company</i>							
7 Issuance of shares pursuant to:	-	-	-	-	-	-	-
14 Additional investment in a subsidiary	864,830	-	(283,055)	-	-	-	581,775
ESOS exercised	-	-	5,019,309	-	-	-	5,019,309
ESOS granted	-	-	(48,977)	-	-	48,977	-
ESOS forfeited	-	-	-	-	-	-	-
Total transactions with owners of the Company	864,830	-	4,687,277	-	-	48,977	5,601,084
Balance at end	38,175,270	-	5,436,434	319,295	-	28,663,931	72,594,930

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



STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

		Non-distributable			Distributable	
		Share Capital	Treasury Shares	ESOS Reserve	Retained Profits	Total Equity
NOTE		RM	RM	RM	RM	RM
2025						
Balance at beginning		38,175,270	-	5,436,434	13,300,901	56,912,605
Total comprehensive loss for the financial year		-	-	-	(4,374,188)	(4,374,188)
Transactions with owners of the Company						
Issuance of shares pursuant to:						
ESOS exercised	14	7,019,913	-	(2,387,689)	-	4,632,224
ESOS granted		-	-	4,533,865	-	4,533,865
ESOS forfeited		-	-	(67,861)	67,861	-
Private placement	14	19,042,599	-	-	-	19,042,599
Purchase of treasury shares	15	-	(1,772,164)	-	-	(1,772,164)
Total transactions with owners of the Company		26,062,512	(1,772,164)	2,078,315	67,861	26,436,524
Balance at end		64,237,782	(1,772,164)	7,514,749	8,994,574	78,974,941
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)
Transactions with owners of the Company						
Issuance of shares pursuant to:						
ESOS exercised	14	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

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



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax	(9,446,389)	(7,970,834)	(4,341,863)	(111,140)
Adjustments for:				
Accretion of interest on lease liabilities	165,571	222,413	-	-
Addition/(Reversal) of allowance for expected credit loss	135,571	(76,394)	-	-
Bad debts written off	-	-	14,577	-
Deferred income released	(160,459)	(156,016)	-	-
Depreciation of property, plant and equipment	6,392,100	6,135,570	7,598	1,431
Depreciation of right-of-use assets	687,756	858,530	-	-
Dividend income	-	-	(6,000,000)	-
Gain on disposal of property, plant and equipment	-	(22,278)	-	-
Impairment loss on investment in subsidiaries	-	-	7,747,241	-
Interest expense	2,556,346	2,725,966	-	-
Interest income	(279,783)	(210,658)	(302,879)	(157,319)
Inventories written down	54,614	280,000	-	-
Loss on revaluation of property, plant and equipment	78,364	-	-	-
Property, plant and equipment written off	17,744	16	-	-
Reversal of inventories written down	-	(160,000)	-	-
Unrealised gain on foreign exchange	66,473	(217,655)	-	(46,166)
ESOS expenses	4,533,865	5,019,309	1,339,570	87,659
Operating profit/(loss) before working capital changes	4,801,773	6,427,969	(1,535,756)	(225,535)
Changes in:				
Inventories	1,404,740	439,880	-	-
Receivables	(5,257,588)	(2,176,277)	(4,820,506)	8,462
Payables	(3,799,679)	7,324,496	5,049,854	96,538
Related companies	-	-	(4,149,098)	(30,000)
Cash (used in)/from operations	(2,850,754)	12,016,068	(5,455,506)	(150,535)
Interest paid	(75,494)	(87,233)	-	-
Income tax paid	(1,063,445)	(296,819)	(117,317)	(123,614)
Income tax refunded	-	6,162	-	6,162
Net cash (used in)/from operating activities/ Balance carried forward	(3,989,693)	11,638,178	(5,572,823)	(267,987)

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

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	NOTE	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
Net cash (used in)/from operating activities/ Balance brought forward		(3,989,693)	11,638,178	(5,572,823)	(267,987)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of investment in subsidiaries		-	-	(4,130,953)	-
Acquisition of non-controlling interest		(400,000)	-	-	-
Dividend income		-		6,000,000	
Interest received		279,783	210,658	-	157,319
Proceeds from disposal of property, plant and equipment		-	22,278	-	-
Purchase of property, plant and equipment	A	(7,209,453)	(4,623,724)	(809,061)	-
Purchase of other investment		-	-	-	-
Net changes in fixed deposit with a licensed bank		(10,577)	187,172	-	-
Net changes in subsidiaries' balances		-	-	(8,246,603)	(306,274)
Net cash used in investing activities		(7,340,247)	(4,203,616)	(7,186,617)	(148,955)
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of term loans	B	-	-	-	-
Government grant received		-	400,000	-	-
Interest paid		(2,480,852)	(2,638,733)	-	-
Net changes in related party balances		-	(789,124)	-	-
Proceeds from issuance of ordinary shares		23,674,823	581,775	23,674,823	581,775
Purchase of treasury shares		(1,772,164)	-	(1,772,164)	-
Repayment of hire purchase	B	(477,586)	(478,198)	-	-
Net changes of bankers' acceptance	B	(254,000)	1,929,000	-	-
Repayment of term loans	B	(1,511,936)	(3,570,793)	-	-
Repayment of lease liabilities	B	(905,631)	(997,946)	-	-
Net cash from/(used in) financing activities		16,272,654	(5,564,019)	21,902,659	581,775
NET INCREASE IN CASH AND CASH EQUIVALENTS		4,942,714	1,870,543	9,143,219	164,833
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		101,928	(42,348)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING		15,991,575	14,163,380	262,322	97,489
CASH AND CASH EQUIVALENTS AT END		21,036,217	15,991,575	9,405,541	262,322

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



STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
The cash and cash equivalents are represented by:				
Fixed deposits with licensed banks	3,345,804	6,765,172	-	-
Cash in hand and at banks	17,723,766	8,460,599	9,405,541	262,322
Short-term funds with a licensed financial institution	423,654	2,388,900	-	-
Less: Fixed deposits pledged with a licensed bank	(457,007)	(446,430)	-	-
Bank overdrafts	-	(1,176,666)	-	-
	21,036,217	15,991,575	9,405,541	262,322
A. Purchase of property, plant and equipment				
Total acquisition cost	4,313,876	4,636,328	809,061	-
Amount owing to vendors reflected under other payables	(186,500)	(3,082,077)	-	-
Cash paid in respect of acquisition in previous financial year	3,082,077	3,069,473	-	-
Total cash acquisition	7,209,453	4,623,724	809,061	-

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



STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

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				
2025				
Borrowings excluding bank overdrafts	55,545,520	(2,243,522)	-	53,301,998
Lease liabilities	2,125,147	(905,631)	459,683	1,679,199
Total liabilities arising from financing activities	<u>57,670,667</u>	<u>(3,149,153)</u>	<u>459,683</u> ¹	<u>54,981,197</u>
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>

¹ Others consist of non-cash movement as follows:

	GROUP	
	2025 RM	2024 RM
Accretion of interest on lease liabilities	165,571	222,413
Additions of lease liabilities	366,269	1,786,494
Foreign currency translation	(72,157)	12,805
	<u>459,683</u>	<u>2,021,712</u>

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



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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 25 July 2025.

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 7 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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

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 Amendments to MFRSs

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial years except for the amendments to MFRSs that are mandatory for the current financial year.

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

Initial application of the amendments to the standards did not have material impact to the financial statements.

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 for the Company:

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 2026

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments

Annual Improvements to MFRS Accounting Standards - Volume 11

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity

Effective for annual period beginning on or after 1 January 2027

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 19 Subsidiaries without Public Accountability: Disclosures



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

2. BASIS OF PREPARATION (CONT'D)

2.5 Standards Issued But Not Yet Effective (Cont'd)

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

The initial application of the above standards/amendments to MFRSs is not expected to have any material impact to the financial statements of the Group and of the Company upon adoption, except for *MFRS 18 Presentation and Disclosure in Financial Statements*.

MFRS 18 introduces new requirements on presentation within the statements 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 the Company's presentation of statements of comprehensive income, statements of cash flows and additional disclosures 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.

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.

3.1 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:

(i) **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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

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

3.1 Judgements made in applying accounting policies (Cont'd)

(ii) Classification between owner-occupied properties ("OOP") and investment properties

The Group determines whether a property qualifies as an investment property and has developed criteria in making that judgement. Investment properties are properties held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether an OOP generates cash flows largely independent of the other assets held by the Group.

Certain OOP comprise a portion that is held to earn rentals and another portion that is held for use in the production or supply of goods or for administrative purposes. The Group accounts for the portions separately if the portions could be sold separately (or leased out separately). If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

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 the end each of the reporting period. As at 31 March 2025 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 8 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 11 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

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

3.2 Key sources of estimation uncertainty (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 30.2 (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 10 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 33 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

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

3.3 Change in accounting policy, reclassification of assets and restatement

3.3.1 Measurement of leasehold land and buildings

During the financial year, the Group has changed its accounting policy with respect to the measurement of its leasehold land and buildings from cost model to revaluation model. The Group applied the change in accounting policy prospectively. The Group's properties were revalued in the financial year ended 31 March 2025 by independent valuation specialists. Moving forward, valuations will be performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the leasehold land and buildings as the end of the reporting period. The Group's policy is to revalue properties comprising leasehold land and building every 5 years or at a more frequent interval when there are factors that arise which will have significant changes to their fair value. The leasehold land were revalued together with the buildings due to the leasehold land and buildings cannot be sold separately. The effects from change are as follows:

	2025 Increase/ (Decrease) RM
Consolidated statement of financial position	
Non-current assets	
Property, plant and equipment	<u>57,389,666</u>
Equity	
Revaluation reserve	47,560,098
Retained profits	<u>(78,364)</u>
	<u>47,481,734</u>
Liabilities	
Deferred tax liabilities	<u>9,907,932</u>
Total equity and liabilities	<u>57,389,666</u>
Consolidated statement of comprehensive income	
Administrative expenses	(103,110)
Taxation	<u>24,746</u>
	<u>(78,364)</u>



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

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

3.3 Change in accounting policy, reclassification of assets and restatement (Cont'd)

3.3.2 Reclassification of OOP to investment properties

During the financial year, certain leasehold land and building were reclassified to investment properties as significant portion of the leasehold land and building were rented to a third party. The effects of the reclassification is as follows:

	2025 Increase/ (Decrease) RM
Consolidated statement of financial position	
Non-current assets	
Property, plant and equipment	(95,000,000)
Investment properties	<u>95,000,000</u>

3.3.3 Restatement of right-of-use assets to property, plant and equipment

The Group leases several pieces of land that run for between 48 to 60 years. During the financial year, the Group restated its leasehold land classified under right-of-use assets to property, plant and equipment. Accordingly, the comparative figures were restated to conform with the current financial year as follows:

	As previously stated RM	Adjustment RM	Restated RM
Consolidated statement of financial position			
As at 31 March 2024			
Non-current assets			
Property, plant and equipment	78,187,255	15,416,613	93,603,868
Right-of-use assets	17,228,442	(15,416,613)	<u>1,811,829</u>
As at 1 April 2023			
Non-current assets			
Property, plant and equipment	79,276,690	15,788,024	95,064,714
Right-of-use assets	16,666,475	(15,788,024)	<u>878,451</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

4. PROPERTY, PLANT AND EQUIPMENT

GROUP

	At valuation -----	At cost -----					
	Leasehold land RM	Buildings and improvements RM	Plant and machinery RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Capital work-in- progress RM	Total RM
2025							
Balance at beginning	18,238,097	55,208,305	99,672,270	5,322,866	3,161,606	120,954	181,724,098
Additions	-	1,088,177	1,832,654	588,905	-	804,140	4,313,876
Written offs	-	(9,088)	(9,211)	(116,409)	(66,434)	-	(201,142)
Transfer to investment properties (Note 5)	(29,500,000)	(65,500,000)	-	-	-	-	(95,000,000)
Reclassification	-	133,097	-	14,715	-	(147,812)	-
Revaluation gain	24,437,083	20,220,258	-	-	-	-	44,657,341
Foreign currency translation	-	(34,541)	(769,064)	(19,699)	(938)	(1,131)	(825,373)
Balance at end	13,175,180	11,106,208	100,726,649	5,790,378	3,094,234	776,151	134,668,800
Accumulated depreciation							
Balance at beginning	2,821,484	9,970,918	69,125,601	4,252,810	1,949,417	-	88,120,230
Current charge	371,411	1,177,557	4,071,850	392,069	379,213	-	6,392,100
Written offs	-	(9,085)	(9,210)	(116,384)	(48,719)	-	(183,398)
Elimination of accumulated depreciation on revaluation	(3,192,895)	(9,539,430)	-	-	-	-	(12,732,325)
Foreign currency translation	-	(28,677)	(627,050)	(18,867)	(938)	-	(675,532)
Balance at end	-	1,571,283	72,561,191	4,509,628	2,278,973	-	80,921,075
Carrying amount	13,175,180	9,534,925	28,165,458	1,280,750	815,261	776,151	53,747,725

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025



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

GROUP

	At cost						
	Leasehold land RM	Buildings and improvements RM	Plant and machinery RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Capital work-in- progress RM	Total RM
(Restated) 2024							
Balance at 1.4.23	-	29,901,365	97,798,633	4,716,161	2,622,911	23,915,422	158,954,492
- As previously restated							
- Effects of reclassification from right- of-use assets (Note 6)	18,238,097	-	-	-	-	-	18,238,097
Balance at 1.4.23, as restated	18,238,097	29,901,365	97,798,633	4,716,161	2,622,911	23,915,422	177,192,589
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 31.3.24	18,238,097	55,208,305	99,672,270	5,322,866	3,161,606	120,954	181,724,098
Accumulated depreciation							
Balance at 1.4.23	-	8,836,923	65,229,677	3,948,916	1,662,286	-	79,677,802
- As previously restated							
- Effects of reclassification from right- of-use assets (Note 6)	2,450,073	-	-	-	-	-	2,450,073
Balance at 1.4.23, as restated	2,450,073	8,836,923	65,229,677	3,948,916	1,662,286	-	82,127,875
Current charge	371,411	1,151,941	4,041,133	286,870	284,215	-	6,135,570
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 31.3.24	2,821,484	9,970,918	69,125,601	4,252,810	1,949,417	-	88,120,230
Carrying amount as at 1.4.23	15,788,024	21,064,442	32,568,956	767,245	960,625	23,915,422	95,064,714
Carrying amount as at 31.3.24	15,416,613	45,237,387	30,546,669	1,070,056	1,212,189	120,954	93,603,868



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

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

COMPANY

	Office equipment RM	Capital work-in- progress RM	Total RM
2025			
At cost			
Balance at beginning	28,640	-	28,640
Additions	61,884	747,177	809,061
Balance at end	90,524	747,177	837,701
Accumulated depreciation			
Balance at beginning	21,365	-	21,365
Current charge	7,598	-	7,598
Balance at end	28,963	-	28,963
Carrying amount	61,561	747,177	808,738
2024			
At cost			
Balance at beginning/end	28,640	-	28,640
Accumulated depreciation			
Balance at beginning	19,934	-	19,934
Current charge	1,431	-	1,431
Balance at end	21,365	-	21,365
Carrying amount	7,275	-	7,275



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

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

Material accounting policy information

Property, plant and equipment

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 (except for leasehold land, buildings and improvements) are stated at cost less accumulated depreciation and any impairment losses.

Leasehold land, buildings and improvements are measured at fair value less accumulated depreciation and impairment loss, if any. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value at the end of the reporting period.

As at the date of revaluation, accumulated depreciation, if any, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Any revaluation surplus arising upon appraisal is recognised in other comprehensive income.

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:-

<u>Categories</u>	<u>%</u>
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

The leasehold land are amortised over the lease period of 48 to 60 years.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

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

Fair value information

The following table shows the valuation technique used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Market comparison approach: Sales price of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.	Price per square foot ranging from RM40 to RM180.	The estimated fair value would increase/(decrease) if the price per square foot is higher/(lower).

Valuation processes applied by the Group for Level 3 fair value

The fair values of properties are determined by independent valuation specialists, having appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. The valuation specialists provide the fair values of the Group's properties with sufficient regularity. Changes in Level 3 fair values are analysed by the management after obtaining the valuation reports from the valuation specialists. Please refer to Note 2.2 to the financial statements for definition of Level 1 to 3 of the fair value hierarchy. Had the properties been carried under the cost model, the total carrying amounts of their entire classes that would have been recognised in the consolidated financial statements are as follows:

	Leasehold land RM	GROUP Buildings and improvements RM	Total RM
2025			
Cost	4,834,657	18,544,589	23,379,246
Accumulated depreciation	(2,013,014)	(8,954,420)	(10,967,434)
	2,821,643	9,590,169	12,411,812

Security

- (i) The carrying amount of leased assets of the Group which are held under hire purchase arrangements as disclosed in Note 19 to the financial statements are as follows:

	GROUP	
	2025 RM	2024 RM
Plant and machinery	1,589,658	1,755,807
Motor vehicles	223,942	367,361
	1,813,600	2,123,168



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

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

Security (Cont'd)

- (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 19 to the financial statements are as follows:

	GROUP	
	2025	2024
	RM	RM
Leasehold land, buildings and improvements	8,360,000	54,819,732
Plant and machinery	3,196,810	3,342,369
	<u>11,556,810</u>	<u>58,162,101</u>

5. INVESTMENT PROPERTIES

At fair value

Transfer from property, plant and equipment (Note 4)

	GROUP	
	2025	2024
	RM	RM
	<u>95,000,000</u>	<u>-</u>

The investment property consists of the following:

At fair value:

Leasehold land

Buildings

	GROUP	
	2025	2024
	RM	RM
Leasehold land	29,500,000	-
Buildings	65,500,000	-
	<u>95,000,000</u>	<u>-</u>

Material accounting policy information

Investment properties are measured subsequently at fair value with any changes therein recognised in profit or loss for the financial year in which they arise.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

5. INVESTMENT PROPERTIES (CONT'D)

Fair value information

The following table shows the valuation technique used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Income approach (also known as Investment method): The valuation method considers the net annual income to be generated from the property by deducting the annual outgoings from the gross annual income and capitalising the net income by a suitable rate of return consistent with the type and quality of investment.	<ul style="list-style-type: none"> Void rate 5.00%. Revisionary capitalisation rate 7%. 	The estimated fair value would increase/ (decrease) if: <ul style="list-style-type: none"> Void rate was lower/(higher); Revisionary capitalisation rate were lower/(higher).

Valuation processes applied by the Group for Level 3 fair value

The fair values of properties are determined by independent valuation specialists, having appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. The valuation specialists provide the fair values of the Group's properties annually. Changes in Level 3 fair values are analysed by the management annually after obtaining the valuation reports from the valuation specialists. Please refer to Note 2.2 to the financial statements for definition of Level 1 to 3 of the fair value hierarchy.

Security

The investment properties are pledged to licensed banks as securities for banking facilities granted to certain subsidiaries as disclosed in Note 19 to the financial statements.

Group as lessor

The Group has entered into operating lease on its investment properties. The lease term is for a period of three years with an option to extend for another three years.

The following are recognised in profit or loss in respect of the investment properties:

	GROUP	
	2025 RM	2024 RM
Rental income from income generating properties	8,198,237	-
Direct operating expenses	(1,128,221)	-

Future minimum rental receivables under non-cancellable operating leases as at the end of the reporting period are as follows:

	GROUP	
	2025 RM	2024 RM
Within one year	8,313,708	-
More than one year and less than five years	24,371,236	-
	32,684,944	-



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

GROUP

As a lessee

The Group has lease contracts for factories and hostels that are used in its operations and have lease terms of between two to five 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.

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
2025				
Balance at beginning	-	1,758,756	53,072	1,811,828
Additions	-	366,269	-	366,269
Depreciation	-	(643,236)	(44,520)	(687,756)
Foreign currency translation	-	(142,061)	-	(142,061)
Balance at end	-	1,339,728	8,552	1,348,280
(Restated)				
2024				
Balance at 1.4.23				
- As previously stated	15,788,024	839,079	39,372	16,666,475
- Effects of reclassification to property, plant and equipment (Note 4)	(15,788,024)	-	-	(15,788,024)
Balance at 1.4.23, restated	-	839,079	39,372	878,451
Additions	-	1,718,031	68,463	1,786,494
Depreciation	-	(803,767)	(54,763)	(858,530)
Foreign currency translation	-	5,414	-	5,414
Balance at end	-	1,758,757	53,072	1,811,829

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

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

Lease liabilities

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

	2025 RM	2024 RM
Balance at beginning	2,125,147	1,101,381
Additions	366,269	1,786,494
Accretion of interest	165,571	222,413
Payments	(905,631)	(997,946)
Foreign currency translation	(72,157)	12,805
	<u>1,679,199</u>	<u>2,125,147</u>
Balance at end	1,679,199	2,125,147
Represented by:		
Non-current	964,642	1,453,114
Current	714,557	672,033
	<u>1,679,199</u>	<u>2,125,147</u>

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:

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.

The maturity analysis of lease liabilities is disclosed in Note 30.2 (iii) to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

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

The following are the amounts recognised in profit or loss:

	2025 RM	2024 RM
Accretion of interest on lease liabilities	165,571	222,413
Expenses relating to lease of low value assets	1,900	2,790
Expenses relating to short term leases	312,332	337,362
Total amount recognised in profit or loss	479,803	562,565
Total cash outflow for leases	1,219,863	1,338,098

7. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2025 RM	2024 RM
Unquoted shares, at cost		
Balance at beginning	53,688,164	47,796,444
Acquisition of non-controlling interests	400,000	-
Subscription of new shares	3,730,953	992,600
Allocation of ESOS expenses in respect of share options granted to the employees of subsidiaries	3,194,295	4,899,120
Balance at end	61,013,412	53,688,164
Less: Accumulated impairment loss		
Balance at beginning	(391,742)	(391,742)
Addition	(7,747,241)	-
Balance at end	(8,138,983)	(391,742)
	52,874,429	53,296,422

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:

Name of Subsidiaries	Principal place of Business/ Country of Incorporation	Effective Equity Interest		Principal Activities
		2025 %	2024 %	
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, provision of related specialised engineering services and property letting.
* 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.
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	100	56	Manufacture and sales of corrugated and honeycomb boards and paper related products.
Oribes Sdn. Bhd. ("OSB")	Malaysia	100	-	Dormant.
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	Design, develop and supply of interconnect solutions.

* Not audited by Grant Thornton Malaysia PLT.

Strike off during the year.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

7. 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.

2025

Incorporation of new subsidiary

On 12 September 2024, the Company had incorporated OSB with an issued share capital of RM1.

Acquisition of non-controlling interest

On 11 October 2024, the Company had acquired the remaining 44% equity interest in BESSB for a total cash consideration of RM400,000. As the Company retains control of BESSB throughout, the effects of the acquisition represent an equity transaction in the financial statements of the Group as at the end of the reporting period as follows:

	TOTAL RM
<u>Acquisition of non-controlling interest in BESSB</u>	
Fair value of equity interest as at 11 October 2024	220,059
Less: Total purchase consideration settled by cash	<u>(400,000)</u>
 Movement in equity	 <u>(179,941)</u>
 <u>Net cash outflow arising from the acquisition</u>	
Purchase consideration paid	<u>(400,000)</u>

Additional investment in subsidiaries

On 13 March 2025, the Company had subscribed to an additional 223,913 new ordinary shares in EPI India for a total consideration of RM509,040 and conversion of the amount owing to the Company of RM621,912. There were no changes in the equity interest in EPI India as a result of the additional subscription of ordinary shares.

On 31 March 2025, the Company had subscribed to an additional 2,600,000 new ordinary shares in BESSB by way of converting of the amount owing by BESSB of RM2,600,000. There was no changes in the equity interest in BESSB as a result of the additional subscription of ordinary shares.

Impairment loss on investments in subsidiaries

During the financial year, the Company recorded an impairment loss on investment in BESSB and EPI India amounted to RM5,967,165 and RM1,780,076 respectively in the statement of comprehensive income after assessing the estimated recoverable amount of both subsidiaries which were determined based on the fair value less cost to sell as the said subsidiaries were in continuing loss position.

2024

Additional investment in a subsidiary

On 28 April 2023, the Company had 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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

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

	BESSB	
	2025	2024
Carrying amount of NCI (RM)	-	1,029,670
Loss allocated to NCI (RM)	(809,611)	(1,252,664)
Equity interest held by NCI (%)	-	44

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

	BESSB	
	2025	2024
	RM	RM
Assets and liabilities		
Non-current assets	-	15,392,678
Current assets	-	12,498,381
Non-current liabilities	-	(7,977,196)
Current liabilities	-	(16,899,365)
Net assets	-	3,014,498
Results		
Revenue	-	29,779,667
Net loss, representing total comprehensive loss for the financial year	-	(2,846,963)
Net cash from/(used in)		
Operating activities	-	3,118,444
Investing activities	-	(412,491)
Financing activities	-	(2,447,088)
Net change in cash and bank balances	-	258,865



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

8. GOODWILL

	GROUP	
	2025	2024
	RM	RM
At cost	13,567,631	13,567,631
Less: Allowance for impairment	(2,912,000)	(2,912,000)
Carrying amount	10,655,631	10,655,631

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 **RM36,000,000** (2024: RM33,000,000). Thereafter, an annual growth rate of **5%** (2024: 10%) was applied to the remaining years of the cash flow projections of the CGUs.

(ii) Discount rate

Pre-tax discount rate of **10.10%** (2024: 11.46%) was applied to the calculations in determining the recoverable amount of the CGU. The discount rate is estimated based on the 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

Based on the sensitivity analysis performed, the management has concluded that any variation of up to **10%** (2024: 10%) on the annual growth rate and up to **4%** (2024: 2%) on the pre-tax discount rate would not cause the recoverable amount of the CGU carrying amount to be lower than its carrying amount under the base case assumption.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		GROUP		COMPANY	
		2025	2024	2025	2024
	Note	RM	RM	RM	RM
Non-current					
Other receivables, deposits and prepayments	9.1	437,034	357,365	-	-
Amount due from subsidiaries	9.2	-	-	7,883,082	3,297,580
		437,034	357,365	7,883,082	3,297,580
Current					
Trade receivables	9.3	17,286,158	18,261,927	2,602,710	-
Other receivables, deposits and prepayments	9.1	8,500,640	2,546,814	2,532,950	26,852
Amount due from subsidiaries	9.2	-	-	10,659,475	1,684,386
Total current trade and other receivables		25,786,798	20,808,741	15,795,135	1,711,238
Total trade and other receivables		26,223,832	21,166,106	23,678,217	5,008,818

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

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	18,072,028	12,919,642	23,412,237	5,008,818
Vietnamese Dong	4,163,540	4,442,151	-	-
US Dollar	3,932,620	3,600,114	265,980	-
Others	55,644	204,199	-	-
	<u>26,223,832</u>	<u>21,166,106</u>	<u>23,678,217</u>	<u>5,008,818</u>



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

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

9.1 Other receivables, deposits and prepayments

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
Other receivables	213,842	607,039	-	-
Advances to suppliers	105,778	262,355	-	-
Deposits	2,922,423	925,152	-	-
Prepayments	5,695,631	1,109,633	2,532,950	26,852
	8,937,674	2,904,179	2,532,950	26,852

9.2 Amount due from subsidiaries

	COMPANY	
	2025	2024
	RM	RM
Non-current		
Non-trade		
Interest bearing at 5.0% (2024: 4.5% to 5.0%) per annum	7,883,082	3,297,580
Current		
Trade	4,285,961	136,863
Non-trade		
- Interest bearing at 5.0% (2024: 4.5% to 5.0%) per annum	9,907,708	4,649,508
- Non-interest bearing	-	896,983
Less: Allowance for impairment losses *	(3,534,194)	(3,998,968)
	6,373,514	1,547,523
Total current amount due from subsidiaries	10,659,475	1,684,386
Total current and non-current amount due from subsidiaries	18,542,557	4,981,966
Allowance for impairment losses *		
Balance at beginning	(3,998,968)	(3,998,968)
Written off	464,774	-
Balance at end	(3,534,194)	(3,998,968)

The amount due from subsidiaries is unsecured. The trade related balance are granted credit term of **30 days** (2024: 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

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

9.3 Trade receivables

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
Trade receivables	17,421,729	18,261,927	2,602,710	-
Less: Allowance for ECL				
Balance at beginning	-	(76,394)	-	-
Addition	(135,571)	-	-	-
Reversal	-	76,394	-	-
Balance at end	(135,571)	-	-	-
	17,286,158	18,261,927	2,602,710	-

- (i) The normal trade credit terms granted by the Group range from **30 to 90 days** (2024: 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 **RM3,609,324** (2024: RM4,009,468)

10. DEFERRED TAX ASSETS/(LIABILITIES)

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
Balance at beginning	233,623	(279,760)	10,000	10,000
Recognised profit or loss	(721,001)	604,906	-	-
Recognised in other comprehensive income	(9,907,932)	-	-	-
Foreign currency translation	(35,274)	18,477	-	-
Over/(Under) provision in prior year	162,000	(110,000)	(10,000)	-
Balance at end	(10,268,584)	233,623	-	10,000



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Presented after appropriate offsetting as follows:

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
Deferred tax assets	450,695	405,123	-	10,000
Deferred tax liabilities	(10,719,279)	(171,500)	-	-
	(10,268,584)	233,623	-	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	
	2025	2024	2025	2024
	RM	RM	RM	RM
Property, plant and equipment	(5,325,806)	(5,348,784)	(7,431)	(1,000)
Unabsorbed capital allowances	2,824,221	3,809,505	7,431	-
Unabsorbed reinvestment allowance	1,324,000	1,324,000	-	-
Unabsorbed tax losses	459,726	181,504	-	-
Accrued liabilities	-	11,000	-	11,000
Revaluation reserve	(9,907,932)	-	-	-
Others	357,207	256,398	-	-
	(10,268,584)	233,623	-	10,000



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

11. INVENTORIES

	GROUP	
	2025	2024
	RM	RM
At cost		
Raw materials	6,217,276	8,056,691
Work-in-progress	1,157,602	2,588,181
Finished goods	3,131,851	3,612,974
Consumables	4,491,544	1,856,795
Goods-in-transit	154,646	497,632
	15,152,919	16,612,273
Cost of inventories recognised in profit or loss:		
Inventories recognised as cost of sales	104,888,220	87,617,540
Reversal of inventories written down	-	(160,000)
Inventories written down	54,614	280,000

The carrying amount of inventories pledged as security for banking facilities granted to subsidiaries amounted to **RM4,871,318** (2024: RM4,158,210).

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.

12. OTHER INVESTMENT

	GROUP	
	2025	2024
	RM	RM
Financial assets at fair value through profit or loss ("FVTPL")		
Short-term fund with a licensed financial institution	423,654	2,388,900

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 2025

13. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
Unencumbered:				
Fixed deposits with licensed banks	2,888,797	6,318,742	-	-
Cash in hand and at banks	17,723,766	8,460,599	9,405,541	262,322
	20,612,563	14,779,341	9,405,541	262,322
Encumbered:				
Fixed deposits with licensed banks	457,007	446,430	-	-
	21,069,570	15,225,771	9,405,541	262,322

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

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
Ringgit Malaysia	17,065,095	7,621,061	9,401,166	262,737
US Dollar	3,757,997	7,523,005	409	585
Vietnamese Dong	2,104	2,104	-	-
Indian Rupee	229,781	62,421	-	-
Others	14,593	17,180	3,966	-
	21,069,570	15,225,771	9,405,541	263,322

The encumbered fixed deposits with licensed banks are pledged as securities for credit facilities granted to certain subsidiaries as disclosed in Note 19 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 3.70%** (2024: 2.35% to 4.83%) per annum and **1 month to 12 months** (2024: 1 month to 12 months) respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

14. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2025 Unit	2024 Unit	2025 RM	2024 RM
Issued and fully paid with no par value:				
Balance at beginning	258,457,585	253,803,385	38,175,270	37,310,440
Issuance of ordinary shares pursuant to private placement	26,700,000	-	19,361,000	-
Shares issuance expenses	-	-	(318,401)	-
Issuance of ordinary shares pursuant to ESOS exercised	12,513,506	4,654,200	7,019,913	864,830
Balance at end	297,671,091	258,457,585	64,237,782	38,175,270

2025

During the financial year, the Company had increased its issued and paid-up share capital from RM38,175,270 to RM64,237,782 by way of the following:

- allotted 26,700,000 new ordinary shares at an issue price of approximately RM0.7132 (net of share issuance expenses) per share pursuant to a private placement. The proceeds were used for working capital and business expansion purposes; and
- issuance of 12,513,506 new ordinary shares amounting to RM7,019,913 from the exercise of options under the Company's Employee Share Option Scheme ("ESOS").

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.

15. TREASURY SHARES

During the financial year, the Company had repurchase 3,110,000 of its issued ordinary shares from the open market for a total consideration of RM1,772,164. The average price paid for the shares repurchased was approximately RM0.5698 per share and was financed by internally generated funds.

The details of the shares repurchased during the year are as follows :

Date	----- Price per share -----			Number of shares	Total consideration RM
	Lowest	Highest	Average		
14 February 2025	0.615	0.635	0.632	1,140,000	720,119
17 February 2025	0.520	0.585	0.562	1,700,000	955,126
13 March 2025	0.350	0.355	0.353	210,000	74,044
14 March 2025	0.380	0.380	0.380	60,000	22,875
				3,110,000	1,772,164

The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965. Treasury share have no rights to voting, dividends and participation in other distribution.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

16. RESERVES

	Note	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
Non-distributable:					
ESOS reserve	16.1	7,514,749	5,436,434	7,514,749	5,436,434
Foreign currency translation reserve	16.2	163,166	319,295	-	-
Revaluation reserve	16.3	47,560,098	-	-	-
		<u>55,238,013</u>	<u>5,755,729</u>	<u>7,514,749</u>	<u>5,436,434</u>

16.1 ESOS reserve

	GROUP AND COMPANY	
	2025 RM	2024 RM
Balance at beginning	5,436,434	749,157
ESOS granted	4,533,865	5,019,309
ESOS exercised	(2,387,689)	(283,055)
ESOS expired	<u>(67,861)</u>	<u>(48,977)</u>
Balance at end	<u>7,514,749</u>	<u>5,436,434</u>

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 33 to the financial statements.

16.2 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.

16.3 Revaluation reserve

	GROUP	
	2025 RM	2024 RM
Revaluation of land and building/Balance at end	<u>47,560,098</u>	<u>-</u>

This is in respect of revaluation surplus net of deferred tax arising from the revaluation of the Group's leasehold land and buildings and is non-distributable.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

17. 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.

18. TRADE AND OTHER PAYABLES AND ACCRUALS

		GROUP		COMPANY	
		2025	2024	2025	2024
	Note	RM	RM	RM	RM
Non-current					
Other payables	18.1	-	756,287	-	-
Current					
Trade payables	18.2	6,004,262	14,296,592	4,154	-
Other payables and accruals	18.1	15,523,127	13,164,547	5,221,742	176,042
Amount due to subsidiaries	18.3	-	-	2,683,518	1,518,628
Total current trade and other payables		21,527,389	27,461,139	7,909,414	1,694,670
Total trade and other payables		21,527,389	28,217,426	7,909,414	1,694,670

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

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	16,827,570	22,204,826	7,489,970	1,694,670
Vietnamese Dong	3,817,957	5,089,752	-	-
US Dollar	502,996	170,058	306,759	-
Singapore Dollar	153,150	152,987	-	-
Thai Baht	112,685	-	112,685	-
Indian Rupee	113,031	599,803	-	-
	<u>21,527,389</u>	<u>28,217,426</u>	<u>7,909,414</u>	<u>1,694,670</u>



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

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

18.1 Other payables and accruals

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
Other payables	5,054,915	4,116,079	1,984,020	65,092
Deposits received				
- Refundable	4,193,909	4,026,742	77,169	-
- Non-refundable	-	456,907	-	-
Accruals	6,235,865	4,128,961	3,160,553	110,950
Amount due to related party	-	1,104,583	-	-
SST and VAT payables	38,438	87,562	-	-
	15,523,127	13,920,834	5,221,742	176,042

- (i) The other payables are non-interest bearing and are normally settled on **30 to 90 days** (2024: 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%** (2024: 5%) per annum and classified based on the expected timing of realisation.
- (iii) Included in other payables of the Group is an amount of **RM186,500** (2024: RM3,082,077) payable for the purchase of property, plant and equipment.

18.2 Trade payables

The trade payables are non-interest bearing and are normally settled on **30 to 90 days** (2024: 30 to 90 days) credit terms.

18.3 Amount due to subsidiaries

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

19. BORROWINGS

	GROUP	
	2025	2024
	RM	RM
Non-current liabilities		
Secured:		
Hire purchase	289,903	442,855
Term loans	40,785,338	44,678,443
	41,075,241	45,121,298

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

19. BORROWINGS (CONT'D)

	GROUP	
	2025 RM	2024 RM
Current liabilities		
Secured:		
Bank overdrafts	-	1,176,666
Bankers' acceptance	5,241,000	5,495,000
Hire purchase	152,952	477,586
Term loans	6,832,805	4,451,636
	12,226,757	11,600,888
Total borrowings	53,301,998	56,722,186

The borrowings are secured by way of:

- (i) legal charge over the property, plant and equipment and investment properties of certain subsidiaries as disclosed in Note 4 and 5 to the financial statements;
- (ii) inventories of certain subsidiaries as disclosed in Note 11 to the financial statements;
- (iii) trade receivables of certain subsidiaries as disclosed in Note 9 to the financial statements;
- (iv) pledged of fixed deposits with a licensed bank of certain subsidiaries as disclosed in Note 13 to the financial statements;
- (v) corporate guarantees of the Company; and
- (vi) Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) guarantee.

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

	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
GROUP					
2025					
Bankers' acceptance	1.3 to 4.2	5,241,000	5,241,000	-	-
Hire purchase	2.6 to 4.1	442,855	152,952	289,903	-
Term loans	2.4 to 7.5	47,618,143	6,832,805	10,055,235	30,730,103
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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

20. DEFERRED INCOME

	GROUP	
	2025 RM	2024 RM
Government grants		
Balance at beginning	1,515,668	1,271,684
Received during the financial year	-	400,000
Released to profit or loss	(160,459)	(156,016)
Balance at end	<u>1,355,209</u>	<u>1,515,668</u>

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.

21. REVENUE

21.1 Disaggregated revenue information

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Types of revenue				
Precision engineering and precision injection moulding	18,935,277	13,553,374	-	-
Precision machining and stamping	48,564,894	43,144,149	-	-
Paper products	19,365,268	29,739,589	-	-
Electronic manufacturing services	23,457,260	12,107,483	14,333,298	-
Rental income	8,198,237	-	-	-
Total revenue from contracts with customers	<u>118,520,936</u>	<u>98,544,595</u>	<u>14,333,298</u>	<u>-</u>
Other revenue				
Management fee income	-	-	5,030,066	722,777
Dividend income	-	-	6,000,000	-
	<u>-</u>	<u>-</u>	<u>11,030,066</u>	<u>722,777</u>
Total revenue	<u>118,520,936</u>	<u>98,544,595</u>	<u>25,363,364</u>	<u>722,777</u>

Geographical markets

The revenue contribution geographically is based on the geographical location of customers and is disclosed in Note 28 to the financial statements.

Timing of revenue recognition

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

21. REVENUE (CONT'D)

21.2 Contract balances

	GROUP	
	2025 RM	2024 RM
Trade receivables (Note 9)	<u>17,286,158</u>	<u>18,261,927</u>

21.3 Material accounting policy information

21.3.1 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.

21.3.2 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.

21.3.3 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.

21.3.4 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.

21.3.5 Rental income

Rental income is recognised on a straight-line basis over the lease term.

21.3.6 Management fee income

Management fee income is recognised on an accrual basis.

21.3.7 Dividend income

Dividend income is recognised when the Company's right to receive payment is established.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

22. FINANCE INCOME

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
Fair value gain on short-term investment	-	59,593	-	-
Interest income from:				
- deposits with licensed banks	279,783	151,065	3,633	349
- amount due from subsidiaries	-	-	299,246	156,970
	279,783	210,658	302,879	157,319

23. FINANCE COSTS

	GROUP	
	2025	2024
	RM	RM
Interest expenses on:		
- bankers' acceptance	285,120	228,157
- bank overdrafts	75,494	87,233
- hire purchase	31,727	51,617
- term loans	2,095,229	2,253,218
- lease liabilities	165,571	222,413
- loan from a related party	18,333	55,141
- others	50,443	50,600
	2,721,917	2,948,379



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

24. LOSS BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	(Restated)			
	2025	2024	2025	2024
	RM	RM	RM	RM
After charging:				
Allowance for ECL	135,571	-	-	-
Auditors' remuneration related to:				
Statutory audits				
- Company auditors	188,000	165,000	53,000	53,000
- Other auditors				
- Current year	50,473	53,796	-	-
- Under provision in prior year	-	1,000	-	1,000
Assurance related services:				
- Company auditors	409,000	5,000	409,000	5,000
- Member firm	160,600	-	160,600	-
Other services				
- Company auditors	192,000	-	192,000	-
- Affiliate of Company auditors	173,000	-	173,000	-
- Member firm	130,680	-	130,680	-
Bad debt written off	-	-	14,577	-
Depreciation:				
- property, plant and equipment	6,392,100	6,135,570	7,598	1,431
- right-of-use assets	687,756	858,530	-	-
⁽ⁱ⁾ Emoluments for non-executive directors	444,821	334,917	444,821	334,917
Expenses relating to lease of low-value assets	1,900	2,790	-	-
Expenses relating to short-term lease	312,332	337,362	-	-
Impairment loss on investment in subsidiaries	-	-	7,747,241	-
Inventories written down	54,614	280,000	-	-



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

24. LOSS BEFORE TAX (CONT'D)

	GROUP		COMPANY	
	(Restated)			
	2025	2024	2025	2024
	RM	RM	RM	RM
Loss on foreign exchange				
- Realised	815,045	53,148	64,748	22,057
- Unrealised	146,052	166,168	-	-
Loss on fair value adjustment of property, plant and equipment	103,110	-	-	-
Property, plant and equipment written off	17,744	16	-	-
(ii) Staff costs	45,198,949	29,586,128	5,770,002	143,090
And crediting:				
Deferred income released	160,459	156,016	-	-
Gain on disposal of property, plant and equipment	-	22,278	-	-
Gain on foreign exchange				
- Realised	13,538	488,012	-	-
- Unrealised	79,579	383,823	-	46,166
Reversal of inventories previously written down	-	160,000	-	-
(i) Emoluments for non-executive directors				
Fees	211,800	221,258	211,800	221,258
Allowance	29,750	26,000	29,750	26,000
Share based payment expenses	203,271	87,659	203,271	87,659
	444,821	334,917	444,821	334,917
(ii) Staff costs				
Salaries, bonus, wages, overtime, allowances and other benefits	36,667,912	22,478,871	4,045,041	143,090
Defined contribution plans ("EPF")	3,722,799	2,175,607	570,271	-
SOCSSO and EIS	477,644	-	18,391	-
Share based payment expenses	4,330,594	4,931,650	1,136,299	-
	45,198,949	29,586,128	5,770,002	143,090

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

24. LOSS 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	
	2025	2024	2025	2024
	RM	RM	RM	RM
Executive directors of the Company:				
- Salaries, bonus, allowances and other benefits	2,400,436	2,456,626	1,508,279	141,311
- EPF	426,055	265,982	271,849	-
- SOCSO and EIS	4,523	-	2,744	-
- Share based payment expenses	1,233,120	773,513	521,072	-
- Benefits-in-kind	56,646	13,550	36,479	-
	4,120,780	3,509,671	2,340,423	141,311
Executive directors of the subsidiaries:				
- Salaries, bonus and allowances	1,245,230	811,476	1,037,044	-
- EPF	170,459	97,989	145,475	-
- SOCSO and EIS	3,709	-	2,551	-
- Share based payment expenses	600,000	343,445	600,000	-
	2,019,398	1,252,910	1,785,070	-
Total executive directors' emoluments	6,140,178	4,762,581	4,125,493	141,311

The directors' remuneration can be further analysed as:

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
Executive directors of the Company:				
Present directors	2,546,300	3,509,671	1,773,855	141,311
Past directors	1,574,480	-	566,568	-
	4,120,780	3,509,671	2,340,423	141,311



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

24. LOSS BEFORE TAX (CONT'D)

Directors' emoluments (Cont'd)

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
Executive directors of the subsidiaries:				
Present directors	976,343	1,252,910	976,343	-
Past directors	1,043,055	-	808,727	-
	2,019,398	1,252,910	1,785,070	-

25. TAXATION

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
Based on results for the financial year				
- Current tax				
- Malaysian income tax	(991,171)	(553,674)	(5,000)	(90,280)
- Foreign income tax	(59,327)	(3,723)	-	-
- Deferred tax relating to the origination and reversal of temporary differences	(721,001)	604,906	-	-
	(1,771,499)	47,509	(5,000)	(90,280)
Over/(Under) provision in prior year				
- Current tax	158,573	149,528	(17,325)	2,683
- Deferred tax	162,000	(110,000)	(10,000)	-
	320,573	39,528	(27,325)	2,683
	(1,450,926)	87,037	(32,325)	(87,597)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

25. TAXATION (CONT'D)

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

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
Loss before tax	(9,446,389)	(7,970,834)	(4,341,863)	(111,140)
Income tax at Malaysian statutory tax rate of 24%	2,267,133	1,913,000	1,042,047	26,674
Different tax rates in other countries	(11,179)	25,247	-	-
Expenses not deductible for tax purposes	(2,932,358)	(1,561,498)	(2,472,752)	(134,566)
Income not subject to tax	38,545	228,033	1,440,038	17,612
Utilisation of previously unrecognised deferred tax assets	-	(17,580)	-	-
Deferred tax assets not recognised	(1,133,640)	(539,693)	(14,333)	-
	(1,771,499)	47,509	(5,000)	(90,280)
Over/(Under) provision in prior year	320,573	39,528	(27,325)	2,683
	(1,450,926)	87,037	(32,325)	(87,597)

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	
	2025	2024	2025	2024
	RM	RM	RM	RM
Unabsorbed tax losses	(9,563,210)	(5,977,113)	(52,125)	-
Unabsorbed capital allowances	(2,134,320)	(1,128,817)	(7,599)	-
Unabsorbed reinvestment allowance	(5,452,588)	(5,452,588)	-	-
Others	(368,017)	(236,115)	-	-
	(17,518,135)	(12,794,633)	(59,724)	-



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

25. 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		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
Unabsorbed tax losses	11,478,735	7,917,028	52,125	-
Unabsorbed capital allowances	13,901,908	11,427,486	38,562	-
Unabsorbed reinvestment allowance	10,969,255	10,969,255	-	-
	36,349,898	30,313,769	90,687	-

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 allowance will be disregarded in YA 2045.

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

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
YA 2028	850,130	1,009,825	-	-
YA 2029	737,698	757,251	-	-
YA 2030	228,236	228,236	-	-
YA 2034	781,259	781,259	-	-
YA 2035	2,906,200	2,751,342	-	-
YA 2036	3,586,097	-	52,125	-
Indefinite	2,389,115	2,389,115	-	-
	11,478,735	7,917,028	52,125	-



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

26. 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	
	2025	2024
	RM	RM
Loss for the financial year attributable to the owner of the Company (RM)	<u>(10,087,704)</u>	<u>(6,631,133)</u>
Weighted average number of ordinary shares in issue (unit)	<u>269,960,144</u>	<u>255,935,840</u>
Basic earnings per share (sen)	<u>(3.74)</u>	<u>(2.59)</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	
	2025	2024
	RM	RM
Loss for the financial year attributable to the owner of the Company (RM)	<u>(10,087,704)</u>	<u>(6,631,133)</u>
Weighted average number of ordinary shares in issue (unit)	<u>269,960,144</u>	<u>255,935,840</u>
Adjustment for dilutive effect of ESOS	<u>4,675,748</u>	<u>9,830,074</u>
	<u>274,635,892</u>	<u>265,765,914</u>
Diluted earnings per share (sen)	<u>(3.67)</u>	<u>(2.49)</u>

27. CAPITAL COMMITMENTS

	GROUP	
	2025	2024
	RM	RM
Contracted but not provided for		
- Property, plant and equipment	<u>947,998</u>	<u>960,600</u>



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

28. 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. |
| (v) Investment | Involved in property letting. |

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, right-of-use assets and investment properties directly attributable to the segment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

28. SEGMENTAL INFORMATION (CONT'D)

	Precision Engineering and Precision Plastic Injection Moulding RM	Precision Machining and Stamping RM	Paper Products RM	Electronic Manufacturing Services RM	Investment RM	Total RM
2025						
Revenue						
- total segment	22,372,671	49,278,380	19,515,106	37,739,176	8,198,237	137,103,570
- inter-segment	(3,437,394)	(713,486)	(149,838)	(14,281,916)	-	(18,582,634)
Revenue from external customer	18,935,277	48,564,894	19,365,268	23,457,260	8,198,237	118,520,936
Segment (losses)/ profits	(1,042,222)	2,283,653	(2,215,298)	(3,122,836)	6,854,812	2,758,109
Segment assets	40,694,756	53,734,288	21,693,165	13,782,000	95,000,000	224,904,209
Segment liabilities	7,809,140	38,036,567	19,664,308	9,818,456	29,487,229	104,815,700
Other information:						
- capital expenditure	608,262	3,127,348	4,206	940,329	-	4,680,145
- depreciation and amortisation	1,915,523	2,932,791	1,068,182	455,221	708,139	7,079,856
- non-cash expenses (other than depreciation and amortisation)	2,213,653	893,989	241,943	37,017	-	3,386,602



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

28. SEGMENTAL INFORMATION (CONT'D)

	Precision Engineering and Precision Plastic Injection Moulding	Precision Machining and Stamping	Paper Products	Electronic Manufacturing Services	Total
	RM	RM	RM	RM	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	4,865,858	480,954	143,502	6,422,822
- depreciation and amortisation	1,771,116	2,891,965	1,078,047	1,252,972	6,994,100
- non-cash expenses (other than depreciation and amortisation)	1,831,737	2,196,265	551,326	46,161	4,625,489



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

28. SEGMENTAL INFORMATION (CONT'D)

Notes to segmental information:

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

	2025	2024
	RM	RM
Loss before taxation		
Total profit for reportable segments	2,758,109	3,498,950
Finance costs	(2,721,917)	(2,948,379)
Finance income	279,783	210,658
Depreciation and amortisation	(7,079,856)	(6,994,100)
Unallocated corporate expenses	(1,627,588)	(989,805)
Elimination of inter-segment profit	(1,054,920)	(748,158)
	<u>(9,446,389)</u>	<u>(7,970,834)</u>

Segment assets

Total reportable segments	224,904,209	166,660,651
Other non-reportable segments	12,642,606	296,449
Elimination of inter-segment transactions or balances	(13,925,204)	(5,492,722)
Current tax assets	678,546	507,026
Deferred tax assets	450,695	405,123
	<u>224,750,852</u>	<u>162,376,527</u>

Segment liabilities

Total reportable segments	104,815,700	109,987,080
Other non-reportable segments	2,910,974	176,042
Elimination of inter-segment transactions or balances	(29,862,879)	(21,582,695)
Deferred tax liabilities	10,719,279	171,500
	<u>88,583,074</u>	<u>88,751,927</u>



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

28. 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, investment properties and right-of-use assets which are determined according to the country where these assets are physically located.

	Revenue		Non-current assets	
	2025	2024	2025	2024
	RM	RM	RM	RM
Malaysia	77,401,639	54,354,723	147,216,291	91,771,430
Vietnam	22,161,423	24,086,885	2,563,068	3,220,566
United States of America	8,619,522	6,062,616	-	17,729
Europe	436,110	184,436	-	-
Others	9,902,242	13,855,935	316,646	405,972
	118,520,936	98,544,595	150,096,005	95,415,697

29. RELATED PARTY DISCLOSURES

(i) Identity of related parties

The Group has related party relationship with its subsidiaries and key management personnel.

(ii) Related Parties Transactions

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

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
Transaction with subsidiaries				
- Management fee	-	-	5,030,065	722,777
- Dividend income	-	-	6,000,000	-
- Interest income	-	-	299,246	156,969
- Loan granted	-	-	13,690,000	1,080,000
Transactions with a related party				
- Debt capitalisation	-	805,700	-	-
- Interest expense	-	(55,134)	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

29. 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	
	2025	2024	2025	2024
	RM	RM	RM	RM
Directors' fees	211,800	221,258	211,800	221,258
Salaries, bonus, allowances and other benefits	3,851,411	3,570,137	2,580,369	167,311
EPF	596,514	363,971	417,324	-
Share based payment expenses	2,036,391	1,354,909	1,324,343	87,659
Benefits-in-kind	56,646	13,550	36,479	-
	6,752,762	5,523,825	4,570,315	476,228
Analysed as:				
- Directors of the Company	4,565,601	3,844,588	2,785,245	476,228
- Directors of the subsidiaries	2,019,398	1,252,910	1,785,070	-
- Key management personnel	167,763	426,327	-	-
	6,752,762	5,523,825	4,570,315	476,228



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

30. FINANCIAL INSTRUMENTS

30.1 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			
2025			
Financial assets			
Other investment	423,654	423,654	-
Trade and other receivables, excluding prepayments	20,528,201	-	20,528,201
Cash and bank balances	21,069,570	-	21,069,570
	42,021,425	423,654	41,597,771
Financial liabilities			
Trade and other payables, excluding non-refundable deposit, SST and VAT payables	21,488,951	-	21,488,951
Borrowings	53,301,998	-	53,301,998
	74,790,949	-	74,790,949
2024			
Financial assets			
Other investment	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, SST and VAT payables	27,672,957	-	27,672,957
Borrowings	56,722,186	-	56,722,186
	84,395,143	-	84,395,143

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 Categories of financial instruments (Cont'd)

	Carrying amount RM	AC RM
COMPANY		
2025		
Financial asset		
Trade and other receivables, excluding prepayments	21,145,267	21,145,267
Cash and bank balances	9,405,541	9,405,541
	30,550,808	30,550,808
Financial liabilities		
Trade and other payables, excluding SST and VAT payables	7,909,414	7,909,414
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 and VAT payables	1,694,670	1,694,670

30.2 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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 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 Indian Rupee ("INR"). 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 2025 RM
USD	
- Increased in loss before tax	359,381
- Decreased in equity	273,130
	2024 RM
USD	
- Increased in loss before tax	547,653
- Decreased in equity	416,216

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 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	
	2025	2024	2025	2024
	RM	RM	RM	RM
Fixed rate instruments				
Financial assets	3,345,804	6,765,172	14,256,596	3,948,120
Financial liabilities	47,641,612	49,404,452	-	-
Variable rate instruments				
Financial liabilities	5,660,386	7,317,734	-	-

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 the results and equity by **RM14,151** (2024: RM18,294) and **RM10,755** (2024: RM13,903) 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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 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** (2024: 1 customer), the balance is equal to or more than 10% of total balances constituting **15%** (2024: 10%) 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:-

	2025		2024	
	RM	%	RM	%
By Country:				
Malaysia	9,589,502	55	10,716,234	59
Vietnam	3,609,324	21	3,853,238	21
United States of America	4,046,319	23	3,536,225	19
Other countries	41,013	1	156,230	1
	17,286,158	100	18,261,927	100

(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 provided 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.

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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial risk management policies (Cont'd)

(ii) Credit risk (Cont'd)

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

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 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)

31 MARCH 2025

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 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			
2025			
Not past due	14,093,268	-	14,093,268
1 to 30 days past due	2,206,264	-	2,206,264
31 to 60 days past due	665,284	-	665,284
61 to 90 days past due	107,288	-	107,288
More than 90 days past due	214,054	-	214,054
	3,192,890	-	3,192,890
Individually impaired	135,571	(135,571)	-
	17,421,729	(135,571)	17,286,158
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
	5,581,187	-	5,581,187
	18,261,927	-	18,261,927

The Company's trade receivable balance has not past due.

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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 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 to 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 2025

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 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			
2025			
Significant increased in credit risk			
- Trade balance	4,285,961	-	4,285,961
- Non-trade balance	6,373,514	-	6,373,514
Credit impaired			
- Non-trade balance	3,534,194	(3,534,194)	-
	14,193,669	(3,534,194)	10,659,475
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)	-
	8,980,934	(3,998,968)	4,981,966

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 not required.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial risk management policies (Cont'd)

(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					
2025					
<i>Non-derivative financial liabilities</i>					
Borrowings	53,301,998	70,893,791	13,023,345	17,281,363	40,589,083
Lease liabilities	1,679,199	5,379,550	2,343,191	3,036,359	-
Trade and other payables, excluding non-refundable deposit, SST and VAT payables	21,488,951	21,488,951	21,488,951	-	-
Total undiscounted financial liabilities	76,470,148	97,762,292	36,855,487	20,317,722	40,589,083
2024					
<i>Non-derivative financial liabilities</i>					
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, SST and VAT payables	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 2025

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial risk management policies (Cont'd)

(iii) Liquidity risk

	Carrying amount RM	Contractual cash flows RM	Within one year RM
COMPANY			
2025			
<i>Non-derivative financial liabilities</i>			
Trade and other payables, excluding SST and VAT payables	7,909,414	7,909,414	7,909,414
* Financial guarantee	-	50,719,493	50,719,493
Total undiscounted financial liabilities	7,909,414	58,628,907	58,628,907
2024			
<i>Non-derivative financial liabilities</i>			
Trade and other payables, excluding SST and VAT payables	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

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

31. FAIR VALUE MEASUREMENT

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

The carrying amounts of the Group's and the Company's financial assets (other than other investment) 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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

31. FAIR VALUE MEASUREMENT (CONT'D)

31.1 Financial assets that are measured at fair value on a recurring basis (Cont'd)

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					
2025					
Financial asset					
Other investment	423,654	-	-	423,654	423,654
2024					
Financial asset					
Other investment	2,388,900	-	-	2,388,900	2,388,900

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 2025

31. FAIR VALUE MEASUREMENT (CONT'D)

31.2 Fair value measurement of non-financial assets

The following table shows the levels within the hierarchy of non-financial assets for which fair value is disclosed as at the end of the reporting period:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
GROUP				
2025				
Property, plant and equipment	-	-	22,710,105	22,710,105
Investment properties	-	-	95,000,000	95,000,000

Level 3 fair value

The information on measurement of fair value for property, plant and equipment and investment properties is disclosed in Note 4 and Note 5 to the financial statements.

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.

32. 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	
	2025 RM	2024 RM
Total borrowings	53,301,998	56,722,186
Total equity	136,167,778	73,624,600
* Gearing ratio	0.39	0.77

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

33. 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 20 April 2023 to 28 February 2026.

During the financial year, the Board of Directors of the Company granted additional options to its eligible directors and employees to subscribe for new ordinary shares in the Company under ESOS as follows:

- i. On 4 July 2024, the ESOS granted is for a period from 4 July 2024 to 28 February 2026; and
- ii. On 19 December 2024, the ESOS granted is for a period from 19 December 2024 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:

2025

Grant date	Exercise price RM	----- Number of share options over ordinary shares -----				
		Balance at 1.4.2024	Granted	Exercised	Forfeited	Balance at 31.3.2025
5.8.2020	0.125	6,775,400	-	(6,156,400)	(422,000)	197,000
20.4.2023	0.605	29,334,000	-	(6,182,106)	(3,224,000)	19,927,894
4.7.2024	0.700	-	10,110,000	(175,000)	(750,000)	9,185,000
19.12.2024	0.700	-	800,000	-	-	800,000

2024

Grant date	Exercise price RM	----- Number of share options over ordinary shares -----				
		Balance at 1.4.2023	Granted	Exercised	Forfeited	Balance at 31.3.2024
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

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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

33. EMPLOYEE SHARE OPTION SCHEME ("ESOS") (CONT'D)

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

Grant date	5.8.2020	20.4.2023	4.7.2024	19.12.2024
Fair value (RM)	0.06	0.32	0.20	0.20
Weighted average ordinary share price (RM)	0.14	0.67	0.79	0.80
Exercise price of share option (RM)	0.13	0.605	0.70	0.70
Expected volatility (%)	57.73	70.00	42.19	39.91
Expected life (years)	5.00	3.00	1.66	1.19
Risk free rate (%)	1.74	3.05	3.05	3.05

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 bankrupt 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, waive 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.
- (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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2025

34. SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL YEAR

- (i) On 4 February 2025, the Company has entered into a share sale agreement with third parties to dispose of its entire equity interest in EPI India, for a cash consideration USD177,272. As at the date of this report, the disposal transaction was completed.
- (ii) On 18 September 2024, the Company has entered into a memorandum of understanding ("MOU") with Allied Technologies Holdings Pte. Ltd. ("Vendor") for the proposed acquisition of 100% equity interest ("the acquisition") in Allied Precision Technologies (M) Sdn. Bhd., Allied Precision Manufacturing (M) Sdn. Bhd., Allied Technologies (Saigon) Co. Ltd. and Allied Precision (Thailand) Co. Ltd. (collectively referred to as "Target Companies").

On 28 May 2025, the Company has entered into a master sale and purchase agreement with the Vendor for the acquisition of the Target Companies for a total cash consideration of up to USD38,000,000.

As at the date of this report, the acquisition process is still ongoing.

- (iii) On 2 April 2025, the US government announced a reciprocal tariff on imported goods from all countries. The reciprocal tariff imposed a baseline of 10% tariff on all imports from countries worldwide effective 5 April 2025 whilst higher tariffs were imposed on specific countries whereby Malaysia was imposed a tariff rate of 24%, which will take effect from 9 April 2025. On 9 April 2025, the US government has announced that the higher tariffs imposed will be temporarily suspended for 90 days for all countries except China, though the 10% baseline tariff remains effective until 9 July 2025. On 8 July 2025, the US government announced a 25% tariff rate on goods imported from Malaysia.

At this juncture, the management does not expect the reciprocal tariff will have a material impact on the Group's business operations or financial performance as the Group's direct export to US is less than 8% of total revenue. However, the imposition of the reciprocal tariff by the US and retaliation tariffs by certain countries may lead to dysfunctional global trade environment such as supply chain disruptions, increase in operational costs and other global macroeconomics conditions such as rising inflation, higher unemployment rates, lower disposable income and etc. These put adverse implications on the global economy and may have a material adverse impact on the business and financial performance of business worldwide.

The management is aware that these tariffs may have a direct or indirect implication to its business operations and will continue to monitor the situation closely and take appropriate and timely measures to address the potential implications that may arise from this reciprocal tariff.



SHARE BUY-BACK STATEMENT

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

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 the contents of this Statement prior to its issuance as the said contents fall under the category of Exempt Circulars pursuant to Guidance Note 22 of Bursa Securities’s ACE Market Listing Requirements (“**ACE LR**”).

Bursa Securities 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. INTRODUCTION

The shareholders of the Company (“**Shareholders**”) had, at the 22nd Annual General Meeting (“**AGM**”) held on 29 August 2024, granted approval to the Board of Directors of the Company (“**Board**”) to purchase the ordinary shares in YBS (“**YBS Shares**” or “**Shares**”) of up to ten percent (10%) of the total number of issued Shares at any point of time through Bursa Securities.

The aforesaid mandate shall lapse at the conclusion of the forthcoming 23rd AGM unless the approval for its renewal is obtained from the shareholders at the forthcoming 23rd AGM.

On 15 July 2025, the Company announced to Bursa Securities that the Company proposed to seek shareholders’ approval on the Proposed Share Buy-Back at the forthcoming 23rd AGM.

The purpose of this Statement is to provide you with the details of the Proposed Share Buy-Back as well as to set out the recommendation of the Board and to seek your approval for the ordinary resolution in respect of the Proposed Share Buy-Back to be tabled at the forthcoming 23rd AGM of the Company.

3. DETAILS OF THE PROPOSED SHARE BUY-BACK

The Board proposes to seek approval from the Shareholders for a renewal of authorisation to enable the Company to purchase its own ordinary shares of up to ten percent (10%) of the total number of issued Shares at any point of time through Bursa Securities in accordance with Section 127 of the Companies Act 2016 (“**Act**”) and Chapter 12 of the ACE LR, the Malaysian Code on Take-Overs and Mergers 2016 (“**Code**”) and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities (collectively “**Prevailing Laws**”) at the time of purchase(s).

As at 26 June 2025, being the latest practicable date (“**LPD**”) prior to the printing of the Annual Report 2025, the total number of issued shares of YBS is 297,719,091 Shares (including treasury shares of 3,110,000). A total of up to 29,771,909 YBS Shares may be purchased by the Company. As such, the balance of YBS Shares that can be purchased as at to-date is 26,661,909. None of the YBS Shares bought back have been cancelled or resold to the market.

The Proposed Share Buy-Back, if approved, will be effective upon the passing of the ordinary resolution at the forthcoming 23rd AGM and shall continue to be in force until:

- (a) 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
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,



SHARE BUY-BACK STATEMENT (CONT'D)

3. DETAILS OF THE PROPOSED SHARE BUY-BACK (CONT'D)

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).

Your approval for the Proposed Share Buy-Back does not impose an obligation on the Company to purchase its Shares. However, it will allow the Board to exercise the power of the Company to purchase its Shares at any time within the abovementioned time period.

4. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back, if exercised, will enable the Company to utilise its financial resources not immediately required for use, to purchase its own Shares. The Proposed Share Buy-Back 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 Share Buy-Back 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 Share Buy-Back ("**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).

5. RETAINED PROFITS

Based on the audited financial statements of YBS as at 31 March 2025, the retained profits of the Company stood at RM8,994,574. 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.

6. SOURCE OF FUNDING

The Proposed Share Buy-Back 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 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 Share Buy-Back 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.

7. INTERESTS OF DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS AND/OR 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 Share Buy-Back, none of the Directors and/or Substantial Shareholders of YBS nor persons connected to them has any interest, direct or indirect, in the Proposed Share Buy-Back and, if any, the resale of the treasury shares.

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders' Shareholdings of YBS as at 26 June 2025, the effects of the Proposed Share Buy-Back on the shareholdings of the Directors and/or Substantial Shareholders of YBS and persons connected to them are as follows:



SHARE BUY-BACK STATEMENT (CONT'D)

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

Minimum Scenario: Assuming full issuance of Employees' Share Option Scheme ("ESOS") Options but none are exercised and YBS implements the Proposed Share Buy-Back in full.

Directors' Shareholdings

Directors	Before the Proposed Share Buy-Back				After the Proposed Share Buy-Back			
	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)
Dato' Dr. Mohd Sofi Bin Osman	-	-	-	-	-	-	-	-
Yong Chan Cheah	2,090,400	0.71	36,247,579 [^]	12.30	2,090,400	0.78	36,247,579 [^]	13.53
Low Hee Chung	500,000	0.17	-	-	500,000	0.19	-	-
Gor Siew Yeng	503,000	0.17	123,600 [*]	0.04	503,000	0.19	123,600 [*]	0.05
Dato' Jimmy Ong Chin Keng	-	-	-	-	-	-	-	-
Yong Li-Xiang	-	-	-	-	-	-	-	-

Substantial Shareholders' Shareholdings

Substantial Shareholders	Before the Proposed Share Buy-Back				After the Proposed Share Buy-Back			
	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)
Cheah Jik Capital Sdn. Bhd.	36,247,579	12.30	-	-	36,247,579	13.53	-	-
Indowang Sdn. Bhd.	36,247,578	12.30	-	-	36,247,578	13.53	-	-
Yong Chan Cheah	2,090,400	0.71	36,247,579 [^]	12.30	2,090,400	0.78	36,247,579 [^]	13.53
Yong Swee Chuan	2,090,400	0.71	36,247,578 [#]	12.30	2,090,400	0.78	36,247,578 [#]	13.53
Koh Pei San ⁽¹⁾	-	-	36,247,578 [#]	12.30	-	-	36,247,578 [#]	13.53

Persons Connected to Directors and/or Substantial Shareholders' Shareholdings

Person connected to Directors and/or Substantial Shareholders	Before the Proposed Share Buy-Back				After the Proposed Share Buy-Back			
	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)
Yong Swee Fung ⁽²⁾	169,100	0.06	-	-	169,100	0.06	-	-
Yong Swee Khang (Deceased) ⁽²⁾	20,000	0.01	-	-	20,000	0.01	-	-
Fong Meng Kok ⁽³⁾	123,600	0.04	-	-	123,600	0.05	-	-

SHARE BUY-BACK STATEMENT (CONT'D)

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

Maximum Scenario: Assuming full issuance and exercise of the balance 25,039,794 ESOS Options (being 30% of the total number of issued shares of YBS) and YBS implements the Proposed Share Buy-Back in full.

Directors' Shareholdings

Directors	Before the Proposed Share Buy-Back				After the Proposed Share Buy-Back			
	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	300,000	0.09	-	-	300,000	0.10	-	-
Yong Chan Cheah	5,332,400	1.67	36,247,579 [^]	11.34	5,332,400	1.84	36,247,579 [^]	12.48
Low Hee Chung	850,000	0.27	-	-	850,000	0.29	-	-
Gor Siew Yeng	803,000	0.25	123,600 [*]	0.04	803,000	0.28	123,600 [*]	0.04
Dato' Jimmy Ong Chin Keng	300,000	0.09	-	-	300,000	0.10	-	-
Yong Li-Xiang	1,050,000	0.33	-	-	1,050,000	0.36	-	-

Substantial Shareholders' Shareholdings

Substantial Shareholders	Before the Proposed Share Buy-Back				After the Proposed Share Buy-Back			
	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	11.34	-	-	36,247,579	12.48	-	-
Indowang Sdn. Bhd.	36,247,578	11.34	-	-	36,247,578	12.48	-	-
Yong Chan Cheah	5,332,400	1.67	36,247,579 [^]	11.34	5,332,400	1.84	36,247,579 [^]	12.48
Yong Swee Chuan	2,090,400	0.65	36,247,578 [#]	11.34	2,090,400	0.72	36,247,578 [#]	12.48
Koh Pei San ⁽¹⁾	-	-	36,247,578 [#]	11.34	-	-	36,247,578 [#]	12.48

Persons Connected to Directors and/or Substantial Shareholders' Shareholdings

Person Connected to Directors and/or Substantial Shareholders	Before the Proposed Share Buy-Back				After the Proposed Share Buy-Back			
	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⁾	169,100	0.05	-	-	169,100	0.06	-	-
Yong Swee Khang (Deceased) ⁽²⁾	20,000	0.01	-	-	20,000	0.01	-	-
Fong Meng Kok ⁽³⁾	123,600	0.04	-	-	123,600	0.04	-	-



SHARE BUY-BACK STATEMENT (CONT'D)

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

Notes:

- (a) Based on existing total number of issued shares of 294,609,091 Shares (excluding 3,110,000 treasury shares).
- (b) Based on the total number of issued shares of 267,947,182 Shares without exercising of ESOS Options and Proposed Share Buy-Back 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 319,648,885 Shares (excluding 3,110,000 treasury 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 - 3,242,000 ESOS Options
 - Dato' Dr. Mohd Sofi Bin Osman - 300,000 ESOS Options
 - Low Hee Chung - 350,000 ESOS Options
 - Gor Siew Yeng - 300,000 ESOS Options
 - Dato' Jimmy Ong Chin Keng - 300,000 ESOS Options
 - Yong Li-Xiang - 1,050,000 ESOS Options
- (d) Based on total number of issued shares of 290,482,997 Shares, after the full exercised of ESOS Options and the Proposed Share Buy-Back is carried out in full and all the Shares purchased are held as treasury shares.
- (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 pursuant to Section 59(11)(c) of the Act by virtue of Shares held by spouse
- ^ 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.

8. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

8.1 Potential Advantages of the Proposed Share Buy-Back

The potential advantages of the Proposed Share Buy-Back are as set out under Section 4 of this Statement.

8.2 Potential Disadvantages of the Proposed Share Buy-Back

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

- (a) Proposed Share Buy-Back, if implemented, would 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 in the form of cash dividends to Shareholders in the immediate future.

Nevertheless, the Board is of the view that the Proposed Share Buy-Back 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.



SHARE BUY-BACK STATEMENT (CONT'D)

9. MATERIAL FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK

The material financial effects of the Proposed Share Buy-Back 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 32,275,888 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:

9.1 Share Capital

The effects of the Proposed Share Buy-Back 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 Share Buy-Back in full.

	No. of Shares
As at 26 June 2025	297,719,091
Proposed Share Buy-Back (assuming all YBS Shares purchased are held as treasury shares)	(29,771,909)
Resultant total number of issued Shares	267,947,182

Maximum Scenario: Assuming full issuance and exercise of the balance 25,039,794 ESOS Options (being 30% of the total number of issued Shares of YBS) and YBS implements the Proposed Share Buy-Back in full.

	No. of Shares
As at 26 June 2025	297,719,091
Balance Shares to be issued pursuant to the ESOS (assuming full exercise of the ESOS Options)	25,039,794
Enlarged total number of issued Shares	322,758,885
Proposed Share Buy-Back (assuming all YBS Shares purchased are held as treasury shares)	(32,275,888)
Resultant total number of issued Shares	290,482,997

The Proposed Share Buy-Back 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, the Act 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 LR 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.

9.2 NTA

The effects of the Proposed Share Buy-Back 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 Share Buy-Back 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 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.



SHARE BUY-BACK STATEMENT (CONT'D)

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

9.3 Working Capital

The Proposed Share Buy-Back 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.

9.4 Earnings per Share

The effects of the Proposed Share Buy-Back 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 Share Buy-Back 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 Share Buy-Back may have a positive effect on the EPS of the Group if there is a gain on the disposal and vice-versa.

9.5 Dividends

Assuming the Proposed Share Buy-Back 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 Share Buy-Back may have an impact on the Company's dividend payment for the financial year ending 31 March 2026 (if any) 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.

9.6 Substantial Shareholders

Shares bought back by the Company under the Proposed Share Buy-Back 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 7 of this Statement for further details.

10. IMPLICATION OF THE PROPOSED SHARE BUY-BACK RELATING TO THE RULES OF THE CODE (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 2025, 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 Share Buy-Back.

YBS has no intention for the Proposed Share Buy-Back to trigger the obligation to undertake a mandatory general offer under the 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 Share Buy-Back.



SHARE BUY-BACK STATEMENT (CONT'D)

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

The Company has made the following purchases of YBS Shares in the preceding twelve (12) months from July 2024 to June 2025:-

Date of purchase	No. of Shares purchased	Highest Price (RM)	Lowest Price (RM)	Average Price (RM)	Total consideration paid (RM)
14 February 2025	1,140,000	0.635	0.615	0.632	720,118.83
17 February 2025	1,700,000	0.585	0.520	0.562	955,125.57
13 March 2025	210,000	0.355	0.350	0.353	74,043.74
14 March 2025	60,000	0.380	0.380	0.380	22,875.44

The entire Shares bought back were retained as treasury shares. There was no resale or transfer or cancellation of the Purchased Shares in the preceding twelve (12) months from July 2024 to June 2025.

As at 26 June 2025, the total treasury shares held by the Company were 3,110,000 Shares.

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

The Proposed Share Buy-Back, if exercised, shall be dealt with in the following manner:

- (a) To cancel all the Shares so purchased;
- (b) 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
- (c) Retain part of the Shares so purchased as treasury shares and cancel the remainder; or
- (d) such other manner as Bursa Securities and such other relevant authorities may allow from time to time.

13. 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
2024		
July	0.995	0.755
August	0.920	0.615
September	0.715	0.535
October	0.750	0.645
November	0.730	0.650
December	0.810	0.660
2025		
January	0.825	0.765
February	0.795	0.425
March	0.480	0.315
April	0.415	0.300
May	0.365	0.250
June	0.265	0.220

Last transacted price at LPD was RM0.235.
(Source: investing.com)



SHARE BUY-BACK STATEMENT (CONT'D)

14. PUBLIC SHAREHOLDING SPREAD

As at 26 June 2025, the public shareholding spread of the Company was approximately 72.88%. 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 Share Buy-Back, in accordance with Rule 8.02(1) and Rule 12.14 of the ACE LR.

15. DIRECTORS' STATEMENT

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

16. DIRECTORS' RECOMMENDATION

The Board recommends that you vote in favour of the ordinary resolution to be tabled at the forthcoming 23rd AGM to give effect to the Proposed Share Buy-Back.

17. 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.

18. 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 2024 and 31 March 2025 respectively.

19. FURTHER INFORMATION

There is no other information concerning the Proposed Share Buy-Back 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 Share Buy-Back and the extent of the risks involved in doing so.



LIST OF PROPERTIES

AS AT 31 MARCH 2025

Location	Description	Area (sq.m.)	Existing Use	Tenure/ Age of Building	Carrying Amount as at 31.03.2025 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/ Office	Leasehold for 48 years expiring on 19.05.2068 / 18 years	95,000	02.10.2020/ 31.03.2025
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 / 31 years	16,000	11.10.2006/ 31.03.2025
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 / 16 years	7,300	18.07.2011/ 31.03.2025
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 / 21 years	550	16.06.2010/ 31.03.2025
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 / 21 years	510	30.11.2011/ 31.03.2025



ANALYSIS OF SHAREHOLDINGS

AS AT 26 JUNE 2025

Total Number of Issued Shares	297,719,091
Class of Shares	Ordinary shares
Voting Right	One vote per ordinary share
Number of Shareholders	3,253

DISTRIBUTION OF SHAREHOLDINGS

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Share Capital
Less than 100 shares	34	1.04	1,399	0.00
100 to 1,000 shares	387	11.90	179,684	0.06
1,001 to 10,000 shares	1,265	38.89	7,359,151	2.47
10,001 to 100,000 shares	1,252	38.49	46,970,180	15.78
100,001 to 14,885,954 shares*	313	9.62	194,161,099	65.22
14,885,955 shares and above**	2	0.06	49,047,578	16.47
Total	3,253	100.00	297,719,091	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.	26,247,578	8.91
2	Cheah Jik Capital Sdn. Bhd.	22,800,000	7.74
3	Cheah Jik Capital Sdn. Bhd.	13,447,579	4.56
4	Indowang Sdn. Bhd.	10,000,000	3.39
5	Anucia A/P Muthucumaru	6,644,000	2.26
6	Poscon Engineering Sdn. Bhd.	5,000,000	1.70
7	Eastbay Capital Sdn. Bhd.	3,694,000	1.25
8	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account For Ng Cheng Tat (MP0550)	3,605,800	1.22
9	Reubendra A/L Jeganathan	3,165,000	1.07
10	Ng Yoke Hin	2,951,500	1.00
11	Teoh Hin Heng	2,894,300	0.98
12	KAF Trustee Berhad Qualifier: KIFB For Altima, Inc	2,750,000	0.93
13	Tan Ai Ling	2,600,000	0.88
14	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account For Ang Poh Kok (7001680)	2,538,400	0.86
15	Gor Siew Phaik	2,519,700	0.86
16	Public Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account For Albert Lim Eng Keat (E-BBB)	2,478,100	0.84
17	Hoo Lay Fang	2,469,200	0.84
18	RHB Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account For Chan Kok San	2,450,000	0.83
19	Chong Jia Shun	2,388,800	0.81
20	Yong Chan Cheah	2,090,400	0.71

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 26 JUNE 2025

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

No.	Name of Shareholders	No. of Shares Held	%
21	Yong Swee Chuan	2,090,400	0.71
22	TA Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account For Lim Hau Yang	2,081,500	0.71
23	Maybank Nominees (Tempatan) Sdn. Bhd. Qualifier: MTrustee Berhad For Phillip Pearl Fund (UT-PM-PPF) (419471)	2,043,500	0.69
24	Ooi Eng Hock	1,890,000	0.64
25	Lim Willie	1,800,000	0.61
26	Chia Gin Fook	1,755,000	0.60
27	Musharaka Tech Venture Sdn. Bhd.	1,680,000	0.57
28	Leong Kar Fatt	1,650,000	0.56
29	Maybank Nominees (Tempatan) Sdn. Bhd. Qualifier: MTrustee Berhad For Ethereal-Omega EQ Fund (445330)	1,641,800	0.56
30	Gan Joe Yee	1,600,000	0.54

SUBSTANTIAL SHAREHOLDERS

No.	Name	Direct No. of Shares	%	Indirect No. of Shares	%
1.	Cheah Jik Capital Sdn. Bhd.	36,247,579	12.30	-	-
2.	Indowang Sdn. Bhd.	36,247,578	12.30	-	-
3.	Yong Chan Cheah	2,090,400	0.71	36,247,579~	12.30
4.	Yong Swee Chuan	2,090,400	0.71	36,247,578^	12.30
5.	Koh Pei San	-	-	36,247,578^	12.30

DIRECTORS' SHAREHOLDINGS

No.	Name	Direct No. of Shares	%	Indirect No. of Shares	%
1.	Yong Chan Cheah	2,090,400	0.71	36,247,579~	12.30
2.	Low Hee Chung	500,000	0.17	-	-
3.	Gor Siew Yeng	503,000	0.17	123,600*	0.04
4.	Dato' Dr. Mohd Sofi bin Osman	-	-	-	-
5.	Dato' Jimmy Ong Chin Keng	-	-	-	-
6.	Yong Li-Xiang	-	-	-	-

~ Deemed interest pursuant to Section 8(4) of the Companies Act 2016 ("Act") by virtue of his substantial shareholdings in Cheah Jik Capital Sdn. Bhd.

^ Deemed interest pursuant to Section 8(4) of the Act by virtue of his/her substantial shareholdings in Indowang Sdn. Bhd.

* Indirect interest through spouse pursuant to Section 59(11)(c) of the Act



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Third ("23rd") Annual General Meeting ("AGM") of **YBS INTERNATIONAL BERHAD** ("**YBS**" or "**the Company**") will be convened and held at Sri Cengal 1, Level 1, Sunway Hotel, 11, Lebuhr Tenggeri 2, Pusat Bandar Seberang Jaya, 13700 Prai, Pulau Pinang on **Friday, 29 August 2025 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 2025 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 23rd AGM until the conclusion of the next AGM of the Company in 2026 and further, to authorise the Directors to apportion the fees and make payment in the manner as the Directors may determine. **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 23rd AGM until the conclusion of the next AGM of the Company in 2026 and further, to authorise the Directors to apportion the fees and make payment in the manner as the Directors may determine. **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) Gor Siew Yeng **Ordinary Resolution 3**
 - (b) Dato' Dr. Mohd Sofi Bin Osman **Ordinary Resolution 4**
5. To re-appoint Grant Thornton Malaysia PLT as auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

AS SPECIAL BUSINESS

6. **RETENTION OF GOR SIEW YENG AS INDEPENDENT NON-EXECUTIVE DIRECTOR** **Ordinary Resolution 6**
 "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."
7. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **Ordinary Resolution 7**
 "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, where such approval is required, 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.



NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

7. AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 (CONT'D) Ordinary Resolution 7

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."

8. PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES ("PROPOSED SHARE BUY-BACK") Ordinary Resolution 8

"THAT subject to the Act, the Company's Constitution, the Listing Requirements and the approvals of the relevant government or regulatory authorities, where applicable, 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 (including 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,



NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

8. PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES ("PROPOSED SHARE BUY-BACK") (CONT'D) Ordinary Resolution 8

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."

9. 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 2025



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 Share Registrar's office at Mega Corporate Services Sdn. Bhd. at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur 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 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 **22 August 2025** 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.

Upon approval, this will facilitate payment of Directors' fees and benefits payable on current financial year basis, based on the current board size and assuming that all Directors shall hold office until the end of the financial year. In the event the proposed Directors' fees and benefits payable are insufficient (due to enlarged board size, if any), approval will be sought at the next AGM for additional fees to meet the shortfall. It will also authorised payment to be made by the Company on a monthly basis and/or as and when incurred. The Board is of the view that the payment arrangement is fair and equitable particularly after they have discharged their responsibilities and rendered their services to the Company throughout the relevant period. This approval shall continue to be in force until the conclusion of the next AGM of the Company in 2026.

Details of Directors' fees and benefits paid/payable for the financial year ended 31 March 2025 are enumerated under the Corporate Governance Overview Statement in the Annual Report 2025.



NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes (Cont'd):

2. Ordinary Resolutions 3 and 4 on re-election of Directors

Information on the Directors standing for re-election under Ordinary Resolutions 3 and 4 are set out under Profile of Directors in the Annual Report 2025. 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:

Gor Siew Yeng is an INED of the Company. She chairs the RC. She has fulfilled the requirements on independence as set out in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"). She has extensive experience and knowledge in the fields of legal, human resource and compliance. She has demonstrated her objectivity through her 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. She also exercised due care and carried out her professional duties proficiently and effectively.

Dato' Dr. Mohd Sofi Bin Osman was appointed as INED of the Company on 22 March 2023 and assumed the role as a Chairman on 28 July 2023. He has significant experience in engineering, semiconductor innovation, and global operations. He has demonstrated his objectivity through his proactive engagements during meeting of the Board by sharing valuable, relevant, independent and impartial insights, views and opinions on issues tabled for discussion. He has exercised due care and carried out his professional duties proficiently and effectively throughout his tenure as a Director of the Company.

3. Ordinary Resolution 6 on Retention as Independent Non-Executive Director

The proposed Ordinary Resolution 6, if passed, will retain Gor Siew Yeng as INED 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 Gor Siew Yeng who has served the Board as INEDs since her appointment as INED on 01 July 2014. The NC (with the exception of Gor Siew Yeng who abstained from deliberation and voting on her retention as INED) had evaluated her performance as INED especially with regards to her ability to remain independent and is satisfied with her ability to continue to act as INED and to act in the best interest of the Company and the Group. The justifications to retain her as INED is set out in the Corporate Governance Report.

Her 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.

4. Ordinary Resolution 7 on Authority to Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

This Ordinary Resolution 7, 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 29 August 2024 and which will lapse at the conclusion of the 23rd 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.



NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes (Cont'd):

5. Ordinary Resolution 8 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 2025 for further information.

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 23rd AGM of the Company.



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PROXY FORM
TWENTY-THIRD 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-Third ("23rd") Annual General Meeting ("AGM") of the Company, to be convened and held at Sri Cengal 1, Level 1, Sunway Hotel, 11, Lebuhr Tenggiri 2, Pusat Bandar Seberang Jaya, 13700 Prai, Pulau Pinang on Friday, 29 August 2025 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
FOR								
AGAINST								

Dated this day of 2025.

.....
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 Share Registrar's office at Mega Corporate Services Sdn. Bhd. at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur 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 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 22 August 2025 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 23rd AGM of the Company and any adjournment thereof.

Fold this flap for sealing

Then fold here



Mega Corporate Services Sdn. Bhd.
Level 15-2, Bangunan Faber Imperial Court,
Jalan Sultan Ismail, 50250 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

1st fold here

YBS INTERNATIONAL BHD

200201014380 (582043-K)

No. 978 (also known as PT830)
Lorong Perindustrian Bukit Minyak 20,
Taman Perindustrian Bukit Minyak,
14100 Simpang Ampat, Pulau Pinang Malaysia.

Tel : 04-508 8623
Fax : 04-588 2623

www.ybsinternational.com