

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

Aim for the sky Soaring on Endless Potential

ANNUAL REPORT 2021



Cover Rationale

Aim for the sky | Soaring On Endless Potential

Portrayed as a soaring eagle, the king of birds is a metaphor for YBS International Berhad's ("YBS") strong position in the global precision connector market. Its broad wings and gliding, skyward movement symbolises the company's current focus on redefining itself for further growth and broadening its horizons in a time of dynamic market in high speed data and signal connectivity.

Soaring into the skies with a magnificent pose, the eagle as a fitting motif expresses the vast range of YBS's capabilities as a total solutions provider with services spanning the entire value chain from designing, fabrication to mass production, applied across a diverse spectrum of industries. Looking ahead with attentiveness and sharp vision, the powerful bird sees ahead, just as YBS continuously invests in technology and innovation to evolve its products in size and function, and improve its performance year-on-year. Its strong claws and grip capture YBS's impetus for growth while it remains rooted to its mission of creating value for its stakeholders. Akin to the king of bird kingdom with a vantage point, overarching perspective and mid-air precision, YBS demonstrates tenacity and focus as it leverages business and operational best practices to create genius innovations.

Moving towards a new chapter of excellence with confident strides, the company is well-positioned to soar upwards on endless potential.

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MISSION STATEMENT



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CORPORATE INFORMATION

BOARD OF DIRECTORS

YBhg Dato' (Dr) Pahamin Ab Rajab (Chairman/Non-Independent Non-Executive Director)

Yong Chan Cheah (Managing Director)

Yong Swee Chuan (Executive Director)

Low Hee Chung (Independent Non-Executive Director) Gor Siew Yeng (Independent Non-Executive Director)

Dato' Jimmy Ong Chin Keng (Independent Non-Executive Director) (Appointed on 5 February 2021)

Chuah Poay Ngee (Independent Non-Executive Director) (Resigned on 8 December 2020)

AUDIT COMMITTEE

Chairman Low Hee Chung

Members Gor Siew Yeng Dato' Jimmy Ong Chin Keng

NOMINATING COMMITTEE

Chairman YBhg Dato' (Dr) Pahamin Ab Rajab

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

REMUNERATION COMMITTEE

Chairman Gor Siew Yeng

Members Low Hee Chung Dato' Jimmy Ong Chin Keng

RISK MANAGEMENT COMMITTEE

Chairman Yong Chan Cheah

Members Representative(s) from major business units/divisions to be identified by the Management from time to time.

ESOS COMMITTEE

Chairman Yong Chan Cheah

Members Yong Swee Chuan Poa Mei Ling

COMPANY SECRETARIES

How Wee Ling (MAICSA 7033850) / SSM PC No. 202008000869 Ooi Ean Hoon (MAICSA 7057078) / SSM PC No. 202008000734

AUDITORS

Crowe Malaysia PLT 201906000005 (LLP0018817-LCA) & AF1018 Chartered Accountants No. 8, Jalan Pesta 1/1 Taman Tun Dr. Ismail 1 Jalan Bakri 84000 Muar, Johor Phone: +606-9524 328 Fax: +606-9527 328

REGISTRAR

Mega Corporate Services Sdn. Bhd. Level 15-2 Bangunan Faber Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur Phone: +603-2692 4271 Fax: +603-2732 5388

REGISTERED OFFICE

57-G Persiaran Bayan Indah Bayan Bay, Sungai Nibong 11900 Bayan Lepas, Penang Phone: +604-6408 933 Fax: +604-6438 911

HEAD OFFICE

K27 Jalan Perindustrian Kawasan Perindustrian Tanjung Agas 84000 Muar, Johor Phone: +606-9536 088 Fax: +606-9536 986

WEB-SITE ADDRESS

www.ybsinternational.com

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad Public Bank Berhad HSBC Bank Malaysia Berhad United Overseas Bank (M) Bhd Bank of America Malayan Banking Berhad Malaysian Industrial Development Finance Berhad

DATE OF LISTING

29 July 2003

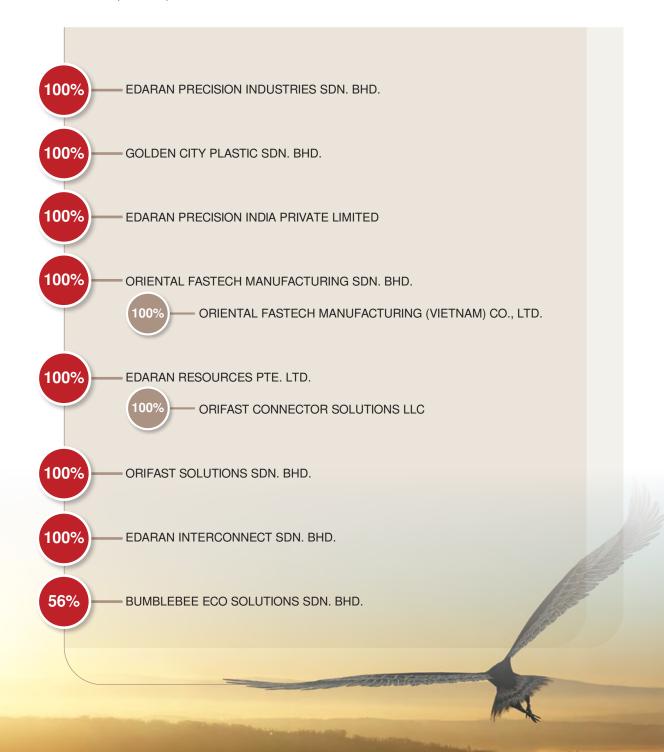
STOCK EXCHANGE LISTING

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

AS AT 8 JULY 2021



Registration No: 200201014380 (582043-K)



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PROFILE OF DIRECTORS

Aged 75

Male

YBHG DATO' (DR) PAHAMIN AB RAJAB Chairman/Non-Independent Non-Executive Director

YBhg Dato' (Dr) Pahamin Ab Rajab is the Non-Independent Non-Executive Chairman of YBS International Berhad and was appointed to the Board on 20 April 2006. He is also the Chairman of the Nominating Committee. He is currently an Advocate and Solicitor of the High Court of Malaya. He has worked in several ministries and government agencies in Malaysia for over thirty (30) years, during Gender which he held various key positions, including Director-General of Road Transport Department at the Ministry of Transport from 1974 to 1998, Secretary-General of the Ministry of Domestic Trade and Consumer Affairs from 1998 to 2001 and Chairman of the Patent Board and the Controller of Copyright Nationality from 1998 to 2001. He is recognised internationally as an expert in intellectual property laws by the Malaysian World Intellectual Property Organisation and in 2000, was awarded the prestigious Cyber Champion International Award by Business Software Alliance in Washington.

> He obtained a Bachelor of Arts (Hons) in History majoring in International Relations from University Malaya in 1970 and a Master of Arts in Public Policy and Administration, majoring in Economic Development from University of Wisconsin, Madison, United States of America in 1978. He later received a law degree (LLB) from University of London in 1990 and a Diploma in Syariah Law and Practice from International Islamic University, Malaysia in 1991. He was conferred the Honorary Doctor of Laws (honoris causa) by University of Newcastle, Australia in 2006. In 2011, he was conferred the Award of Honorary Doctor of Laws (HonLLD) from the University of Greenwich, United Kingdom.

> YBhg Dato' (Dr) Pahamin is currently the Independent Non-Executive Chairman of H-Displays (MSC) Berhad.

> YBhg Dato' (Dr) Pahamin has no family relationship with any director and/or major shareholder of the Company nor does he have any conflict of interests with the Company. 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.

YONG CHAN CHEAH Managing Director

Aged 47

Gender Male

Nationality Malaysian

Mr Yong Chan Cheah is the Managing Director of YBS International Berhad. Mr Yong was appointed as an Executive Director of the Company on 7 June 2013 and was promoted as the Group Managing Director on 27 February 2014. He is also the Chairman of Risk Management Committee and ESOS Committee. Mr Yong obtained his Bachelor of Business Administration from Northern University of Malaysia (UUM) in 1998. He has over eighteen (18) years of experience in the marketing of metal and plastics components. He began his career in 1998 in Pentagon Engineering Sdn. Bhd. as a Contract Administrator. He subsequently joined AE Technology Sdn. Bhd. as Sales Executive in 1999 and was promoted to Sales Manager in 2002. In 2006, he co-founded Oriental Fastech Manufacturing Sdn. Bhd. ("OFM") with Mr Yong Swee Chuan and is directly involved in the growth and development of OFM Group.

Mr Yong is the brother of Mr Yong Swee Chuan, a director and major shareholder of the Company. He does not have any conflict of interests with the Company. 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 DIRECTORS (CONT'D)

YONG SWEE CHUAN **Executive Director**

Aged 49

Gender Male

Nationality Malaysian

48

Male

Nationality

Malaysian

Mr Yong Swee Chuan is an Executive Director and was appointed to the Board on 7 June 2013. He is also a member of Risk Management Committee and ESOS Committee of the Company. He obtained his Diploma from Institute Technology Education of Ang Mo Kio in Singapore in 1995. He has over eighteen (18) years of experience specialising in metal works and welding as well as tool and automation fabrication and modification in Malaysia and Singapore. He started his career at Tuck Hwa Fabrication Pte. Ltd. in Singapore in 1990. His subsequent employments included Senic Sanyo (Singapore) Pte. Ltd. in 1995 and TKR Manufacturing (Singapore) Pte. Ltd. in 1996, before cofounding Oriental Fastech Manufacturing Sdn. Bhd. with Mr Yong Chan Cheah in 2006. He specialises in the engineering of Computer-Aided Manufacturing Turning, Computer Numerical Control Turning and Stamping machineries.

Mr Yong is the brother of Mr Yong Chan Cheah, the Managing Director and major shareholder of the Company. He does not have any conflict of interests with the Company. 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.

LOW HEE CHUNG

Independent Non-Executive Director

Mr Low Hee Chung is an Independent Non-Executive Director of YBS International Berhad and was Aged appointed to the Board on 31 July 2013. He was appointed as the Chairman of the Audit Committee on 23 September 2013. He is also a member of the Nominating Committee and Remuneration Committee of the Company. Gender

> Mr Low obtained his Bachelor's Degree with Honours in Accounting from Northern University of Malaysia (UUM) in 1997. He is now a Chartered Accountant registered with the Malaysian Institute of Accountants.

Mr Low has worked for multinational professional service firm PricewaterhouseCoopers and local auditing firm Peter Chong & Co., over a span of seven (7) years. He is well experienced in corporate tax, personal tax and auditing companies in a wide range of industries in both the public and private sectors. He has held the position of Group Financial Controller of Alma Group of companies since 2003.

Mr Low has no family relationship with any director and/or major shareholder of the Company nor does he have any conflict of interests with the Company. 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 DIRECTORS

GOR SIEW YENG Independent Non-Executive Director Ms Gor Siew Yeng is an Independent Non-Executive Director of YBS International Berhad and was Aged appointed to the Board on 1 July 2014. She is the Chairman of Remuneration Committee and member 55 of the Audit Committee and Nominating Committee of the Company. Gender Ms Gor graduated with a LL.B (Bachelor of Laws) with Honours from the University of London. After Female 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, Nationality representing mostly financial institutions. Malaysian In 1999, Ms Gor ceased practice as an Advocate and Solicitor to assume the position of in-house corporate legal counsel. Over the years, Ms Gor has worked as senior legal counsel for Japanese and German multinational companies. She is now an Executive Director in charge of Human Resource, Legal and Compliance in a Japanese multinational company. In April 2016, Ms Gor was appointed as a Council Member of the Federation of Malaysian Manufacturers (FMM), a public company limited by guarantee. Ms Gor has no family relationship with any director and/or major shareholder of the Company nor does she have any conflict of interests with the Company. 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.

DATO' JIMMY ONG CHIN KENG

Independent Non-Executive Director

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

Gender Male

58

Nationality Malaysian

Dato' Jimmy Ong 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. He joined Emico Holdings Berhad in February 1993 as the Financial Controller and rose to the rank of Finance Director in 1996 and re-designated as Managing Director on 23 January 2009. Subsequently, he was re-designated as Executive Director on 1 October 2019. Dato' Jimmy Ong has extensive experience and knowledge in the field of accounting, finance, corporate finance, manufacturing and property development. Prior to his engagement in Emico, he had served in two international accounting firms namely PwC and KPMG for a total of 10 years.

Dato' Jimmy Ong has no family relationship with any director and/or major shareholder of the Company nor does he have any conflict of interests with the Company. 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

POA MEI LING General Manager

Aged 47

Gender

Female

Nationality

Malaysian

Ms Poa Mei Ling joined YBS International Berhad ("YBS") Group on 22 December 2003 as Group Finance Manager and was promoted to Corporate Financial Controller in year 2013. Presently, she is the General Manager in charge of the Precision Engineering, Precision Plastic Injection Moulding and Electronic Manufacturing Services Divisions of YBS Group. She obtained her Bachelor's Degree with Honours in Accounting from Northern University of Malaysia (UUM) in 1997. She is a Chartered Accountant registered with the Malaysian Institute of Accountants and Fellow Member of the Association of Chartered Certified Accountants. Prior to joining YBS Group, she was the Audit Manager at Deloitte KassimChan (now known as Deloitte PLT).

Finance Man	ING YIN Jager
Aged 48 Gender Female Nationality	Ms. Yeong Ying Yin joined Oriental Fastech Manufacturing Sdn. Bhd. ("OFM") on 17 February 2020 as Finance Manager. She is responsible for the statutory reporting, corporate governance, accounting functions and budegetary control. She is a member of the Malaysian Institute of Accountants and fellow member of the Association of Chartered Certified Accountants. Prior to joining OFM, she was the Group Accountant at CWG Holdings Berhad and led the accounts, finance, statutory reporting and credit control functions of the Group.
	Finance Man Aged 48 Gender Female

ADDITIONAL INFORMATION ON THE KEY SENIOR MANAGEMENT

Family relationship with any director and/or major shareholder

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

Conflict of Interests

The Key Senior Management do not have any conflict of interests with the Company.

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

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

FINANCIAL HIGHLIGHTS

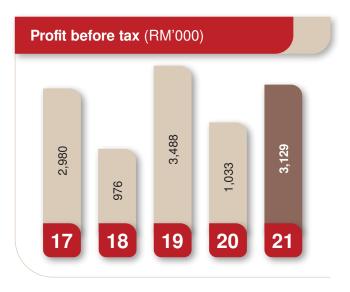
GROUP	2017 RM'000 15 months	2018 RM'000 12 months	2019 RM'000 12 months	2020 RM'000 12 months	2021 RM'000 12 months
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Revenue	89,959	76,640	69,024	67,734	63,130
Profit before tax	2,980	976	3,488	1,033	3,129
Net profit for the year	2,165	80	2,522	446	2,339
Net profit attributable to owners of the Company	2,300	313	2,716	610	2,197
Total equity attributable to owners of the Company	55,162	55,352	57,903	58,271	61,946
Total assets	87,994	83,496	81,591	81,498	106,737
SHARE INFORMATION					
Basic earnings per share (sen)	0.95	0.13	1.12	0.25	0.91
Diluted earnings per share (sen)	0.95	0.13	1.12	0.25	0.89
Gross dividends per share (sen)	0.25	-	-	-	-
Net assets per share (RM)	0.23	0.23	0.24	0.24	0.26
FINANCIAL RATIOS					
Profit before tax margin	3.3%	1.3%	5.1%	1.5%	5.0%
Net profit margin	2.4%	0.1%	3.7%	0.7%	3.7%
Return on equity attributable to owners of the Company	4.2%	0.6%	4.7%	1.0%	3.5%
Return on total assets	2.5%	0.1%	3.1%	0.6%	2.2%
Revenue growth rate	26.6%*	6.5%*	-9.9%	-1.9%	-6.8%

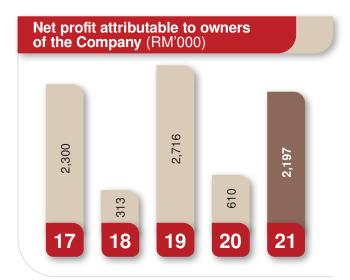
* Based on annualised revenue for financial period ended 31 March 2017.

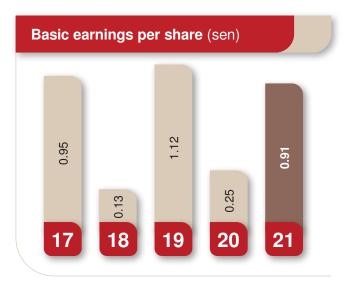


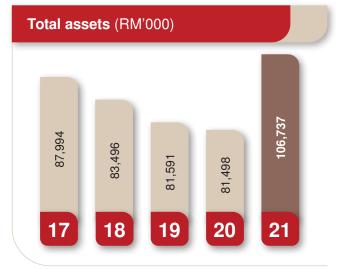
FINANCIAL HIGHLIGHTS (CONT'D)

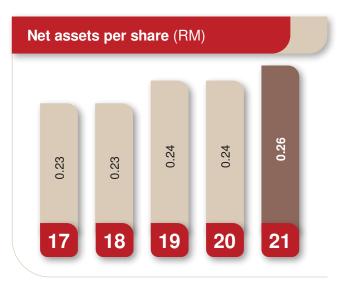












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CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the annual report of YBS International Berhad ("YBS") for the financial year ended 31 March 2021 ("FY2021").



Revenue (FY2021)

RM63.13m FY2020 : RM67.73i



(FY2021) RM3.13m

FY2020 : RM1.03m



Basic Earnings Per Share (FY2021)

RM0.91sen FY2020 : RM0.25ser

CHAIRMAN'S STATEMENT (CONT'D)

BUSINESS OVERVIEW

FY2021 was a year full of continuing challenges and uncertainties prevailing in the world economy and market environment. In the year since the Covid-19 outbreak was first diagnosed, the pandemic has negatively affected global economic growth beyond anything experienced in nearly a century.

Despite these disruptions, the Group was able to turn in good results for FY2021. The Group recorded revenue of RM63.13 million for FY2021, representing a decrease of RM4.60 million or 6.79% from RM67.73 million recorded in financial year ended 31 March 2020 ("FY2020"). However, the Group's profit before tax increased by RM2.10 million from RM1.03 million in FY2020 to RM3.13 million in FY2021. The increase was mainly due to the lower operating expenses as a result of cost cutting measures especially during the period of the implementation of Movement Control Order by the Malaysian Government.

The financial position of the Group remained strong in FY2021 and the business was able to generate a consistently positive operating cash flow. The Group reported total borrowings of RM26.44 million as of 31 March 2021 as compared to the RM7.13 million as at the end of the last financial year. The increase in borrowings was mainly to finance the capital expenditure on a new factory building as part of the Group's continuing expansion program. On the other hand, the cash at bank (included short-term investment and fixed deposits with licensed banks) has increased to RM10.95 million as of current financial year from RM7.62 million as of 31 March 2020. The management was prudent in all its decisions in order to build up the Group's cash reserves. In a time of such uncertainties, it is comforting to have such reserves to meet any unprecedented emergencies.

OUTLOOK

environment remains uncertain and The business challenging as the ongoing trade tensions between the United States of America and China has dented the global growth. Furthermore, the sudden outbreak of the Covid-19 declared as a pandemic by the World Health Organisation in March 2020 has disrupted the business activities of the Group. The World Bank has projected the gross domestic product (GDP) growth for Malaysia at 6% in 2021, taking into account the recent increase in Covid-19 infections and political uncertainty. The growth in Malaysia is expected to be supported by a gradual strengthening of domestic demand following vaccine deployment beginning March 2021 and a cautious improvement in external demand. An effective rollout of the vaccination programme will influence the pace of economic recovery in the region.

Crude oil prices rebounded from record lows reached during the pandemic, supported by a rapid global economic recovery. Demand is expected to firm over 2021 as vaccines become widely available, especially in the advanced economies, pandemic restrictions are eased, and the global recovery is sustained. Prices are expected to average \$60 a barrel in 2022. Metal prices are expected to give back some of this year's gains as stimulus-driven growth fades in 2022. An intensification of the global energy transition to decarbonization could further strengthen demand for metals.

In this respect, we remain cautious and will continue to stay focused on our main business activities and put efforts to grow our sales. We will stand firm to overcome all challenges and will take prudent measures to ensure the Group stay financially sound to sustain the Group's performance and returns to shareholders over the long term.

DIVIDEND

The Company did not declare any dividends in respect of FY2021 in order to conserve cash for capital expenditure of the Group.

APPRECIATION

On behalf of the Board of Directors, I would like to express my sincere and heartfelt thanks to our shareholders, customers, business associates, suppliers, financiers, government agencies and regulatory authorities for their continued support, trust and confidence in YBS Group.

I would like to take this opportunity to welcome our new Independent Director, Dato' Jimmy Ong Chin Keng. I believe that he shall be a source of invaluable support and expertise to the Group in the time ahead.

I also wish to express my sincere appreciation and gratitude to my team of directors, management and employees throughout this challenging time when we had to adapt to a new normal style of work, for their dedication, team spirit and hard work in achieving sustainable financial results in a volatile year.

At this time of uncertainties, I believe that our team will have the strength and tenacity to persevere in facing the challenges ahead and deliver a bright future for YBS Group.

YBhg Dato' (Dr) Pahamin Ab Rajab Chairman/Non-Independent Non-Executive Director

MANAGEMENT DISCUSSION AND ANALYSIS

During the financial year ended 31 March 2021 ("FY2021"), YBS International Berhad ("YBS") Group was organised into and managed as separate business units based on their products and services as follows:

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

Over the years, YBS has diversified its core businesses comprising high precision engineering and plastic injection moulding services into the precision machining and stamping segment as well as the electronics manufacturing services segment. In year 2017, the Group had further expanded its activities to include the manufacturing of paper honeycomb products.

Currently, YBS Group has seven (7) manufacturing operations of which three (3) are located in Johor, two (2) in Penang, one (1) in Ho Chi Minh City, Vietnam and one (1) in the State of Kerala, India. For a more effective marketing network, YBS had also set up marketing offices at the United States of America and Singapore so as to explore and penetrate into new markets. On 10 March 2021, YBS has acquired the remaining 30% equity interest in Edaran Precision India Private Limited ("EPIPL") in the State of Kerala, India. As a result, EPIPL has become a wholly-owned subsidiary of YBS on the same date.

YBS Group's strategy is to further diversify its product mix, produce higher value-added items for better returns and continuously explore and expand into new market segments. The Group aims to increase productivity and produce higher quality products through process innovations. In this regard, YBS Group will continue to work closely with its customers to incorporate innovation and improvements into every aspect of its manufacturing processes while doing business in an ethical and sustainable manner.

GROUP FINANCIAL PERFORMANCE

Revenue

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

	FY2021 FY2020		Increase/ (De	crease)
	RM'000	RM'000	RM'000	%
Precision engineering and plastic injection moulding	23,241	20,140	3,101	15.4
Precision machining and stamping	36,192	42,131	(5,939)	(14.1)
Electronic manufacturing services	602	3,242	(2,640)	(81.4)
Paper product	3,095	2,221	874	39.4
Total	63,130	67,734	(4,604)	(6.8)

Precision engineering and plastic injection moulding segment

The precision engineering and plastic injection moulding segments supplies high precision moulds, tools and dies, jigs and fixtures and plastic injection moulding parts to the connector, aerospace, automotive, electrical and electronics, computer and peripherals, and telecommunication industries. These segments also produce high precision metal and plastic parts for the semiconductor industry.

The revenue from precision engineering and plastic injection moulding segments was RM23.24 million in the FY2021 as compared to RM20.14 million in FY2020. The increase in revenue mainly due to higher demand from its existing and new customers.

GROUP FINANCIAL PERFORMANCE (CONT'D)

Revenue (Cont'd)

Precision machining and stamping segment

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

Revenue from the precision machining and stamping segment for FY2021 amounted to RM36.19 million, reduced by 14.1% as compared to the RM42.13 million recorded in FY2020. The decrease was mainly due to lower demand as a result of the Movement Control



Order ("MCO") implemented by the Malaysian Government throughout FY2021 to combat the spread of Covid-19 pandemic which has disrupted the precision machining and stamping industry. This segment has contributed 57.3% of the Group's revenue for FY2021.

Electronic manufacturing services

The electronic manufacturing services is mainly engaged in the design and manufacture of precision moulds, tools, dies, jigs, fixtures and precision molded components of all kinds of descriptions for specialized industries including aerospace, medical devices, electrical and electronics industries. The Company is also engaged in providing services for the assembly of electronic components.

Revenue from this segment for FY2021 amounted to RM0.60 million as compared to the RM3.24 million recorded in FY2020. The lower revenue is mainly attributable to reduced demand from its existing export customer.

Paper product

The paper product segment supplies environmentally sustainable solutions for packaging & shipping, furniture & fittings and point of purchase displays & exhibitions. Its main products include Paper Honeycomb Core and Paper Honeycomb Panel. Paper Honeycomb Core is a series of hexagonal shaped cells, nested together creating a sheet when expanded with approximately 95% open space. This is an exceptionally strong, rigid and lightweight core. Paper Honeycomb Panel is a lightweight, tough and durable board consisting of a honeycomb core sandwiched between linerboards.

The revenue for paper product was recorded at RM3.10 million in the current financial year as compared to RM2.22 million in FY2020 with an increase of RM0.88 million. This segment has grown consistently since its operation commenced in year 2017. With the recyclable material, this paper product is a green option for leading environmental sustainability goals and hazard free building material alternative for paper ceilings, wall panels and partitions for office and home uses.



GROUP FINANCIAL PERFORMANCE (CONT'D)

Gross Profit

The Group's gross profit for FY2021 amounted to RM11.87 million, representing an increase of 19.5% as compared to RM9.93 million in the last financial year. The improvement in gross profit was a result of lower operating expenses after implementation of cost cutting measures. Gross profit margin for the current financial year stood at 18.8% as compared to 14.7% in FY2020.



Statement of Financial Position as of 31 March 2021

As of 31 March 2021, the Group inventories amounted to RM10.40 million, reduced by RM1.01 million as compared to RM11.41 million as of the last financial year.

Trade receivables slightly increased from RM10.48 million to RM10.98 million as of the end of the current financial year, mainly due to the Covid-19 pandemic which had affected the timing of collection from customers.

Cash and bank balances (including short term investments and fixed deposits with licensed banks) stood at RM10.95 million as of 31 March 2021.

Current liabilities comprised mainly trade payables, other payables and amount owing to related parties of RM10.90 million. Borrowings (including bank overdrafts) as of 31 March 2021 increased to RM26.44 million compared to the RM7.13 million as of 31 March 2020. The Group's gearing ratio as of 31 March 2021 was 0.48 times as compared to 0.15 times as of 31 March 2020. The increase in borrowings was mainly for the purpose of financing a new factory building at approximately RM25.28 million as part of the Group's continuing expansion program. Due to the positive current assets on hand, the Group registered a net current asset position of RM18.78 million and current ratio of 2.12 times which was higher as compared to the 1.89 times as of 31 March 2020. The Group remains prudent in maintaining a sound financial position that enables the execution of its strategic objectives in creating value over the coming years. It is notable that total equity attributable to owners of the Company was RM61.95 million as of 31 March 2021 whilst net assets per ordinary share attributable to owners of the Company amounted to RM0.25 which slightly higher than the RM0.24 as of 31 March 2020.

Group Cash Flow

The Group continued to generate healthy cash flow from its operations with net cash of RM8.57 million from operating activities in FY2021. Cash used for investing activities amounted to RM5.60 million in FY2021. The Group continued to invest in capital expenditure in order to stay responsive to its customers' changing requirements and to maintain its competitive edge as well as to embrace technological advancements to improve production capabilities. Net cash used for financing activities amounted to RM0.13 million in FY2021. As a result, cash and cash equivalents stood at RM10.23 million as of 31 March 2021.

KEY RISKS AND MITIGATION

Political, economic and regulatory risks

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



KEY RISKS AND MITIGATION (CONT'D)

Political, economic and regulatory risks (Cont'd)

According to a recent Bank Negara's report, global growth prospects will continue to be shaped by major developments surrounding the Covid-19 pandemic, particularly the rollout of vaccines, the ongoing global structural shifts, and the extent of economic scarring. However, recovery in the domestic economy which began in the second half of 2020, is expected to continue in 2021. The recovery, nevertheless, is expected to be uneven and will be shaped by several factors, including the course of the Covid-19 pandemic and vaccine rollout, the extent of external spillovers, sector-specific developments, and the degree of improvement in labour market conditions.

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 we are in to be very volatile and challenging for the coming financial year.



Currency risk

The Group is exposed to the fluctuation of foreign currency exchange risk arising from sales and purchases denominated in foreign currency. The currency giving rise to this risk is primarily the US Dollar. The Group manages its exposure to 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; and
- Maintain part of the cash and bank balances in the foreign currency accounts to meet its future obligations in foreign currencies.

Dependence on few major customers

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



OUTLOOK AND FUTURE PROSPECTS

The general view is that there will be economic growth globally with the deployment of the Covid-19 vaccine by most economies. Beyond vaccines, ongoing global structural shifts are expected to support a gradual improvement in cross-border investment and trade. In the near-term, rising demand for remote working equipment and the digitalisation of businesses could lead to an upswing in the technology cycle. This will benefit manufacturing production, investments, and exports for economies that are part of the electrical and electronics (E&E) global value chain, particularly the regional economies.

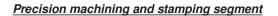
A major factor hindering the market is the ongoing uncertainties surrounding the US-China trade war and shifts in the global financial market sentiment. The Group will strive to improve efficiency and productivity with lower operating cost in order to enhance our competitive edge to ensure a sustainable income stream.

OUTLOOK AND FUTURE PROSPECTS (CONT'D)

Precision engineering and plastic injection moulding segment

Bishop and Associates, a market research firm that specializes in the connector industry, expects a mid-single digit growth in the connector industry versus 2020. The connector industry is projected to grow with a compound annual growth rate of +5.7%, which is just slightly below the global connector market growth rate from year 2020 to 2026. For the semiconductor industry, based on The World Semiconductor Trade Statistics ("WSTS"), the world semiconductor market is expected to go up by 19.7% to US\$527 billion in 2021 due to higher demand for semiconductor-based products. For 2022, the worldwide semiconductor market is projected to grow by 8.8% to US\$573 billion, driven by a double-digit growth of the Memory category. All regions are expected to show a positive growth rate.

However, with the Covid-19 pandemic and on-going trade tensions, the Group is cautiously optimistic that the connector and semiconductor industries will improve progressively in 2021 as mass vaccination to induce herd immunity is expected to occur in a phased manner, the improvement in sentiments is expected to be gradual. The Group shall exercise prudence through various cost optimisation efforts and concentrate on its core competencies in the manufacturing and development of new connector moulds and precision plastic parts.





Moving forward, the Group is looking to increase the contribution to revenue from the aerospace and security product industries' demand for precision machining parts. The Group will focus on its core business and sales is expected to gradually increase based on the high inquiries and quotations submitted for overseas customers that encompasses the security, telecommunications and consumer electronics segments. As for the plant in Vietnam, the business volume from one of its major customers remains strong in the near term with more projects in the pipeline.

Electronics manufacturing services and Paper honeycomb products

The Group will continue to grow the revenue and profitability of its electronics manufacturing services segment. For the paper honeycomb products segment, it will continue to focus on the paper packaging solution products. The Group has changed from the traditional corrugated packaging to honeycomb cores which are made from recyclable material and the product is environmentally friendly. Paper honeycomb is set to replace the PE form (plastic) and wooden rack (for green environment) given that the packaging design is more flexible than the traditional packaging materials. The Group has since penetrated the market for paper packaging and aims to expand into heavy duty packaging solutions.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of YBS International Berhad ("YBS" or "the Company") is pleased to provide an overview of the Company's corporate governance practices during the financial year ended 31 March 2021 ("FY2021") with reference to the 3 Principles as set out in the Malaysian Code on Corporate Governance ("MCCG" or "the Code"). The Company's application of each Practice set out in MCCG during the financial year 2021 is disclosed in the Company's Corporate Governance Report ("CG Report") which is available on the Company's website at http://www.ybsinternational.com as well as via the Company's announcement made to Bursa Malaysia Securities Berhad ("Bursa Securities").

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

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

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

The Board plays an active role in the development of the Company's strategy. The Board reviews and approves the annual business plan recommended by the Management. The Board has direct access to Senior Management 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 Senior Management to attend meetings for reporting on major issues relating to their respective responsibility.

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

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

Separation of Roles of Chairman and CEO

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

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

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



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. Board Responsibilities (Cont'd)

Company Secretaries

Both Company Secretaries of the Company have legal credentials, and are qualified to act as company secretary under Section 235(2) of the Companies Act, 2016.

Access to Information and Advice

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

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

Board Charter

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

The Board last reviewed its charter on 8 July 2021. The Board will continue the practice to review its charter regularly, at least once a year to keep it up to date with changes in regulations and best practices and ensure its effectiveness and relevance to the Board's objectives.

Code of Ethics and Conduct

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

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

Whistleblower Policy

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. Board Responsibilities (Cont'd)

Anti-Bribery and Corruption Policy

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

Further details pertaining to the respective ToR of Board Committees, Board Charter, Code of Ethics, Whistleblower Policy and Procedures and ABC Policy are available at YBS's website at <u>http://www.ybsinternational.com</u>.

II. Board Composition

The Board currently has six (6) members comprising the Non-Independent Non-Executive Chairman, two (2) Executive Directors and three (3) Independent Non-Executive Directors. This composition complies with Rule 15.02 of the ACE LR whereby the Company must have at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, who are Independent Directors.

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

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

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

The Board is mindful of the recommendation that the Board must comprise a majority of independent directors where the Chairman of the Company is not an independent director. The Board is of the opinion that other than his shareholdings in the Company, YBhg Dato' (Dr) Pahamin Ab Rajab has demonstrated that he is independent from the Management and free from business relationship that might interfere with his exercise of independent judgement.

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 any of the Independent Directors at the following address and such concerns will be reviewed and addressed by the Board accordingly:

Mr Low Hee Chung/ Ms Gor Siew Yeng/ Dato' Jimmy Ong Chin Keng YBS International Berhad 57-G Persiaran Bayan Indah, Bayan Bay, Sungai Nibong, 11900 Bayan Lepas, Penang.

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CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. Board Composition (Cont'd)

Nominating Committee ("NC")

The membership of the NC is as follows:

Chairman : YBhg Dato' (Dr) Pahamin Ab Rajab (Non-Independent Non-Executive Director)

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

The NC of YBS assumes the following core responsibilities:

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

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

In line with the ToR of NC, there are three (3) meetings held by the NC during the FY2021. The activities carried out by the NC during the financial year in discharging its functions are as follows, amongst others:

- reviewed the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board;
- undertaken an assessment of independency of its Independent Directors;
- recommended to the Board on those Directors who retire pursuant to Constitution of the Company, being eligible, to seek re-election during the forthcoming AGM;
- reviewed the training needs for the Directors; and
- reviewed and accepted the resignation of Independent Non-Executive Director ("INED") and appointment of new INED.

Appointment of New Directors to the Board

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

The NC leads the process for identifying and making recommendations for the Board's approval on suitable candidates for directorship to the Board and members to the Board Committees. The Board will then based on the recommendation of the NC, evaluates and decides on the appointment of the proposed candidate(s). The Company Secretaries will ensure that all appointments are properly conducted and that legal and regulatory obligations are met.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. Board Composition (Cont'd)

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

The NC will 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 be reviewing the composition of respective Board Committee of the Company to ensure its effectiveness in functioning.

Board Evaluation

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

On 27 May 2021, an assessment of the effectiveness of the Board, respective Board Committee and Independence ("the Assessment") were carried out in respect of the FY2021. Appraisal form which comprising quantitative and qualitative performance criteria to evaluate the performance of each member of the Board as well as each Board Committee, were being circulated at the NC meeting for assessment. The NC reviewed the required mix of skills, experience and other qualities of the Board and Board Committee and agreed that it has the necessary mix of skill, experience and other qualities to serve effectively.

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

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

				Indu	strv	/ Bad	ckard	ound			В	y Co	mpc	ositio	n	
						perie					Age		Eth	inic	Ger	ıder
Directors	Nationality	Designation	Technology	Marketing	Industrial	Corporate	Accounting / Finance	Internal Audit	Law / Legal	40 – 49 years	50 – 59 years	70 years and above	Bumiputra	Chinese	Male	Female
YBhg Dato' (Dr) Pahamin Ab Rajab	Malaysian	Chairman/ Non- Independent Non-Executive Director		\checkmark	\checkmark	\checkmark	\checkmark		\checkmark			\checkmark	\checkmark		\checkmark	
Yong Chan Cheah	Malaysian	Managing Director	\checkmark	\checkmark	\checkmark	\checkmark	\checkmark	\checkmark		\checkmark				\checkmark	\checkmark	
Yong Swee Chuan	Malaysian	Executive Director	\checkmark	\checkmark	\checkmark		\checkmark			\checkmark				\checkmark	\checkmark	
Low Hee Chung	Malaysian	Independent Non-Executive Director				\checkmark	\checkmark	\checkmark		\checkmark				\checkmark	\checkmark	
Gor Siew Yeng	Malaysian	Independent Non-Executive Director				\checkmark		\checkmark	\checkmark		\checkmark			\checkmark		\checkmark
Dato' Jimmy Ong Chin Keng	Malaysian	Independent Non-Executive Director		\checkmark	\checkmark	\checkmark	\checkmark	\checkmark			\checkmark			\checkmark	\checkmark	



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. Board Composition (Cont'd)

Annual Assessment of Independence

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

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

Time Commitment

The Board meets on a quarterly basis with additional meetings held whenever necessary. The Board met four (4) times during the financial year under review. The meeting attendance record of the Directors is as follows:

	Meeting Attendance
YBhg Dato' (Dr) Pahamin Ab Rajab	3/4
Yong Chan Cheah	4/4
Yong Swee Chuan	4/4
Low Hee Chung	4/4
Gor Siew Yeng	4/4
Dato' Jimmy Ong Chin Keng (Appointed on 5 February 2021)	1/1
Chuah Poay Ngee (Resigned on 8 December 2020)	3/3

Though the Company does not set a policy for Directors to notify the Chairman and/or Management prior to accepting new appointments, to ensure that the Directors have the time to focus and fulfill their roles and responsibilities effectively and in line with the ACE LR, a Director of YBS must not hold directorships of more than five (5) Public Listed Companies and must be able to commit sufficient time to YBS.

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. Board Composition (Cont'd)

Continuing Training Programme

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

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

Director	Date	Description
Yong Chan Cheah	6 May 2020 1 day	Engineering Solutions Digital Suite – Webinar Series (Siemens Solid Edge with Synchronous Technology Delivers Higher Design Productivity and More Fun)
	2 June 2020 1 day	SME Unplugged: 100 Go Digital Series
	16 October 2020 1 day	Global Outlook on Privacy – An SME Approach
	3 November 2020 1 day	Design Dev & Innovation 2020
	30 November 2020 1 day	National E&E Forum 2020
	10 March 2021 1 day	Implementing the Smart Automation with Taiwan Smart Manufacturing
Yong Swee Chuan	23 November 2020 1 day	National Tax Seminar 2020
	18 March 2021 1 day	ISO 9001:2015 Quality Management System - Internal Auditor Training
Low Hee Chung	23 November 2020 1 day	Seminar Percukaian Kebangsaan 2020
	12 January 2021 1 day	MIA Webinar Series: Contemporaneous Transfer Pricing Documentation: What is your responsibility?
	10 March 2021 1 day	Webinar on Sales Tax: Exemption and Audit Approach
Gor Siew Yeng	17 July 2020 1/2 day	Invitation To Roundtable Discussion On Human Resource Requirements Of Penang State
	26 August 2020 1/2 day	FMM Penang: Human Resource/ Industrial Relations (HR/IR) Forum
Dato' Jimmy Ong Chin Keng	14 May 2020 1 day	FMM – Business Ethics -Compliance to MACC ACT, Section 17A
	6 Jan 2021 1 day	FMM -Penang SAFE program-Mass screening using RT-PCR vs RTK-AG
	19 Jan 2021 1 day	Min. Standard of Housing, Accommodation & Amenities Act 1990- (Amended) Act 446
	10 Feb 2021 1 day	MPC-e-Shared Prosperity Organisation – Productivity Linked Wages System
	26 Feb 2021 1 day	MARII Webinar – Kickstart your Industry 4.0 journey
	29 Mar 2021 1/2 day	Webinar on SOCSO Penjana Kerjaya 2.0
	29 Mar 2021 1/2 day	Awareness training on Anti Bribery Management System

YBhg Dato'(Dr) Pahamin Ab Rajab did not attend any training during the FY2021. Nevertheless, he continues to keep himself abreast with the recent regulatory and corporate governance developments by studying the relevant reading materials published at various professional websites and newsletters from the authorities forwarded by the Management and Company Secretary from time to time.





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

III. Remuneration

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

The details of the Company Directors' remuneration comprising remuneration received/receivable from the Company and its subsidiaries during the FY2021 are as follows:

	Fees	Salaries, Bonuses, EPF & Other Emoluments	Allowances	Employees' share option scheme expenses	Total
Name of Directors	(RM)	(RM)	(RM)	(RM)	(RM)
Non-Executive					
YBhg Dato' (Dr) Pahamin Ab Rajab	70,000	-	2,250	-	72,250
Low Hee Chung	40,000	-	3,750	-	43,750
Gor Siew Yeng	36,000	-	2,500	3,040	41,540
Dato' Jimmy Ong Chin Keng (Appointed on 5 February 2021)	2,444	-	500	-	2,944
Chuah Poay Ngee (Resigned on 8 December 2020)	24,774	-	2,000	-	26,774
Executive					
Yong Chan Cheah	-	42,400	2,500	-	44,900
Yong Swee Chuan	-	42,400	2,500	-	44,900
Received/receivable from the Company	173,218	84,800	16,000	3,040	277,058
Non-Executive					
YBhg Dato' (Dr) Pahamin Ab Rajab	-	-	-	-	-
Low Hee Chung	-	-	-	-	-
Gor Siew Yeng	-	-	-	-	-
Dato' Jimmy Ong Chin Keng (Appointed on 5 February 2021)	-	-	-	-	-
Chuah Poay Ngee (Resigned on 8 December 2020)	-	-	-	-	-
Executive					
Yong Chan Cheah	22,000	979,876	-	20,904	1,022,780
Yong Swee Chuan	22,000	959,758	-	20,904	1,002,662
Received/receivable from the subsidiaries	44,000	1,939,634	-	41,808	2,025,442
Total Group	217,218	2,024,434	16,000	44,848	2,302,500

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee ("AC")

The AC comprises wholly three (3) Independent Directors. The AC is chaired by an Independent Director, Mr Low Hee Chung, a Chartered Accountant of the Malaysian Institute of Accountants, which is in compliance with Rule 15.09(1)(c) of the ACE LR of the Bursa Securities.

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

The roles and responsibilities of the AC are spelt out in the ToR of the AC, a copy of which is available in the Company's website at <u>http://www.ybsinternational.com</u>.

II. Risk Management and Internal Control Framework

The Board fulfills its responsibilities in the risk governance and oversight functions through its Risk Management Committee ("RMC") in order to manage the overall risk exposure of the Group. The RMC assessed and monitored the efficacy of the risk management controls and measures taken, whilst the adequacy and effectiveness of the internal controls were reviewed by the AC in relation to internal audit function for the Group. The RMC comprise of the Managing Director, Executive Director and Senior Management who are familiar with the business situation of YBS. The Board is satisfied with the performance of the RMC and AC and their respective Chairman in discharging their responsibilities, based on the results of the Board Committees Effectiveness Evaluation of the 2020/2021.

The Board is of the view that the internal control and risk management system in place during FY2021, 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 C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

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

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

II. Conduct of General Meetings

YBS's AGM is an important means of communicating with its shareholders. At the 18th AGM of the Company held on 24 September 2020, five (5) out of six (6) members of the Board were present at the meeting. The proceedings of the 18th AGM included the presentation of the Company's operating and financial performance for the FY2020. 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, before putting a resolution to vote. The Directors, Management and External Auditors were in attendance to respond to the shareholders' queries.

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

In line with Practice 12.3 of the MCCG in promoting electronic voting, the voting at the 18th AGM of the Company was conducted by way of electronic voting. The Company continues to explore the leveraging of technology, to enhance the quality of engagement with its shareholders and facilitate further participation by shareholders at future general meetings of the Company.

This statement is made in accordance with a resolution of the Board dated 6 August 2021.

ADDITIONAL DISCLOSURE REQUIREMENTS

PURSUANT TO THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Utilisation of Proceeds Raised from Corporate Proposals

There were no proceeds raised from any corporate proposals during the financial year ended 31 March 2021 ("FY2021").

2. Audit and Non-Audit Fees

The amount of audit and non-audit fees incurred for services rendered to the Company and its subsidiaries for the FY2021 by the Company's Auditors, or a firm or company affiliated to the Auditors' firm are as follows:

	Audit Fees	Non-Audit Fees
Category	(RM)	(RM)
Company	30,000	2,500
Subsidiaries	170,298	-
Total	200,298	2,500

3. Material Contracts

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

4. Employees' Share Option Scheme

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

The implementation of the ESOS is effective from 1 March 2016. The total number of ESOS granted and the movement during FY2021 are set out below:

	Number of ESOS as at 31 March 2021						
	Balance as at 1 April 2020	Granted	Exercised	Lapse/ Forfeited	Balance as at 31 March 2021		
Directors	-	6,406,000	(1,121,200)	-	5,284,800		
Employees	-	20,360,000	(1,979,000)	-	18,381,000		
Total	-	26,766,000	(3,100,200)	-	23,665,800		

The vesting period of the ESOS was five (5) years period commencing from 7 September 2020.

Pursuant to the Company's ESOS, not more than 60% of the options available under scheme shall be allotted, in aggregate, to the Executive Directors and Senior Management. Since the commencement of the scheme and during the financial year, 12.55 % of the options available under the scheme have been granted to Executive Directors and Senior Management.

The table below set out the options granted to and exercised by the Non-Executive Directors pursuant to the ESOS in respect of the financial year ended 31 March 2021:-

	Number of ESOS as at 31 March 2021						
	Balance as at 1 April 2020	Granted	Exercised	Lapse/ Forfeited	Balance as at 31 March 2021		
Ybhg Dato' (Dr) Pahamin Ab Rajab	-	300,000	-	-	300,000		
Low Hee Chung	-	500,000	-	-	500,000		
Gor Siew Yeng	-	380,000	(76,000)	-	304,000		

AUDIT COMMITTEE REPORT

The Audit Committee ("AC") was established on 20 May 2003 with the primary objective of assisting the Board in fulfilling its fiduciary responsibilities relating to accounting and reporting practices, and systems of internal control of the Group.

MEMBERSHIP

The AC presently comprises the following members:

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

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

The Nominating Committee had on 8 July 2021 assessed the performance of the AC and its members through an annual board committee effectiveness evaluation. The Nominating Committee is satisfied that the AC and its members have discharged their functions, duties and responsibilities in accordance with the AC's Terms of Reference and supported the Board in ensuring the Group upholds appropriate corporate governance standards.

The roles and responsibilities of the AC are spelt out in the Terms of Reference of the AC, a copy of which is available in the Company's website at <u>http://www.ybsinternational.com</u>.

MEETINGS

During the financial year ended 31 March 2021 ("FY2021"), a total of four (4) AC meetings were held and the details of the attendance are as follows:

	Meeting Attendance
Low Hee Chung	4/4
Gor Siew Yeng	4/4
Dato' Jimmy Ong Chin Keng (Appointed on 5 February 2021)	1/1
Chuah Poay Ngee (Resigned on 8 December 2020)	3/3

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

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

AUDIT COMMITTEE REPORT (CONT'D)

ACTIVITIES OF THE AUDIT COMMITTEE

In line with the terms of reference of the Committee, the following activities were carried out by the Committee during the FY2021 in discharging its functions:

Financial Reporting

The Committee reviewed the fourth quarterly financial statements of the Group for FY2021 on 27 May 2021 and also reviewed the first, second and third quarterly financial statements of the Group for FY2021 and recommended the same to the Board for approval during its AC meeting held on 13 August 2020, 19 November 2020 and 25 February 2021 respectively. The Committee reviewed and was satisfied that the said quarterly financial statements are prepared in compliance with the Malaysian Financial Reporting Standards ("MFRSs") 134 - Interim Financial Reporting issued by Malaysian Accounting Standards Board and Appendix 9B of the ACE LR.

External Auditors

During the FY2021, three (3) discussion sessions between the AC and the external auditors were held on 25 June 2020, 13 August 2020 and 25 February 2021 respectively.

On 25 June 2020 and 13 August 2020, the AC reviewed and discussed with the External Auditors Messrs. Crowe Malaysia PLT on the progress and results of their audit for the financial period ended 31 March 2020 ("FY2020") and the outstanding audit areas as summarised in the Audit Review Memorandum. The AC also deliberated on audit issues raised by the External Auditors and the action plans required to address those issues. During the Meeting, the AC enquired the External Auditors whether they have encountered any matter/concern/issue during the course of audit including the co-operation rendered by the staff. The External Auditors informed that the Management had granted full co-operation to the External Auditors during their course of audit.

On 25 February 2021, the External Auditors, Messrs. Crowe Malaysia PLT tabled the Audit Plan prior to the commencement of the audit of the financial statements for FY2021, more particularly as below:

- a) Audit Approach;
- b) Areas of Audit Emphasis;
- c) Group Audit;
- d) Information Technology;
- e) Internal Auditors;
- f) Reporting and Deliverables;
- g) List of Audit Engagement Team;
- h) Audit Timetable;
- i) Audit Fee.

Besides, further to the briefing by the External Auditors, the Committee took note on the epidemic of the Covid-19 pandemic occurred during the financial year and the extent of the financial impact of the pandemic to its operation in the preparation of the financial statements.

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

On 27 May 2021, the External Auditors was invited to the AC Meeting to table the Audit Review Memorandum to the Audit Committee summarised the significant audit, accounting and internal control issues identified during the statutory audit of the Group for FY2021.

On 8 July 2021, the External Auditors attended the AC Meeting to table the closing Audit Review Memorandum updating the Audit Committee on the finalization of audit of the financial statements of the Group for FY2021.

AUDIT COMMITTEE REPORT (CONT'D)

ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

External Auditors (Cont'd)

On 8 July 2021, the AC has undertaken an assessment of the suitability and independence of the External Auditors considering the factors which include adequacy of experience and resources of the firm and the professional staff assigned to the audit, independence, audit fees and the level of non-audit services to be rendered by the External Auditors to the Company, etc.

Based on the assessment, the AC recommended the re-appointment of Messrs. Crowe Malaysia PLT as the External Auditors of the Group for the ensuing year ending 31 March 2022 after having satisfied with its audit independence and the performance of Messrs. Crowe Malaysia PLT throughout its course of audit for the FY2021, amongst others:-

- satisfied that the quality processes/performance of External Auditors;
- able to give adequate technical support when audit issues arise;
- networking ability and competency to address audit of overseas subsidiaries; and
- adequate experience and resources of Messrs. Crowe Malaysia PLT.

INTERNAL AUDIT FUNCTION

The Group has engaged the services of an independent professional accounting and consulting firm, BDO Governance Advisory Sdn. Bhd. ("BDOGA") to provide much of the assurance it requires regarding the effectiveness as well as the adequacy and integrity of the Group's systems of internal control. BDOGA reports directly to the Committee on its activities. Its principal role is to provide independent assurance on the adequacy and effectiveness of governance, risk management and internal control processes. The cost incurred for the internal audit function for FY2021 was RM44,000.00.

During the FY2021, the Internal Auditors presented its findings together with recommendations and management action plans to the Committee at the Meetings on 25 June 2020, 13 August 2020, 19 November 2020 and 25 February 2021 respectively. The AC also followed up from time to time the updates and corrective actions by the Management on audited areas reported in the prior guarters.

During the FY2021, the Internal Auditors have conducted review on internal control of its subsidiary(ies) in focusing on the following areas:

Company	Audit Areas	Reporting Date
Bumblebee Eco Solutions Sdn. Bhd.	Procure to Pay	25 June 2020
Oriental Fastech Manufacturing Sdn. Bhd.	Procure to Pay	13 August 2020
Edaran Precision Industries Sdn. Bhd.	Sales to Receipt	19 November 2020
Oriental Fastech Manufacturing (Vietnam) Co., Ltd.	Inventory Management and Management of Information System	25 February 2021

On 25 February 2021, the Internal Audit Plan for the year 2021/2022 was tabled for the AC's review and approval. The AC reviewed and approved the said Plan after taking into consideration the comments from the committee and the advise from the Internal Auditors.

AUDIT COMMITTEE REPORT (CONT'D)

RISK MANAGEMENT AND INTERNAL CONTROL

On 25 June 2020 and 19 November 2020 respectively, the AC reviewed and discussed the Risk Assessment Report tabled by the Risk Management Committee, the discussion includes risk assessment, summary of action plans and action taken by the management and update of risks register. The Audit Committee reviewed the Statement on Risk Management and Internal Control in respect of FY2021 on 8 July 2021 for publication in the Annual Report 2021. Information pertaining to the Company's internal controls is shown in the Statement on Risk Management and Internal Control set out on page 37 to 40 of this Annual Report.

OTHERS

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

The AC also reviewed and discussed the recurrent related party transactions on quarterly basis and satisfied that they were undertaken on an arm's length basis and on normal commercial terms not more favourable to the related party than those generally available to the public.

On 8 July 2021, the AC reviewed and verified the allocation of options pursuant to the Employees' Share Option Scheme ("ESOS") for FY2021 and satisfied that it is in compliance with the criteria set out in the By-Laws and provision of the ESOS.

This statement is made in accordance with the resolution of the Board dated 6 August 2021.



STATEMENT ON DIRECTORS' RESPONSIBILITIES

The Directors are required under the Companies Act, 2016 to prepare the financial statements for each financial year. 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 the Group and of the Company 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, the Directors have considered the following:

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

The Directors are responsible for ensuring that the Group and the Company maintain proper accounting records that disclose with reasonable accuracy the financial position of the Group and of the Company, 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 Group and of the Company, and to prevent and detect fraud and other irregularities.

This statement is made in accordance with a resolution of the Board dated 6 August 2021.

SUSTAINABILITY STATEMENT

INTRODUCTION

The Board of Directors of YBS International Berhad (the "Company" or the "Group") acknowledge the importance of embedding sustainability considerations into the Group's operations when developing business strategies in achieving its short-term and long-term objectives. In line with our core principle, the Group is committed "to be recognised as the ONLY Supplier of Choice and assist customers to be more competitive in global market".

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

During the financial year ended 31 March 2021, the sustainability initiatives undertaken by our Group were as follows:

STAKEHOLDERS

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

Stakeholders	Method of Engagement
Shareholders	 Annual General Meeting and Annual Report Quarterly Results Announcement Corporate Website
Government and Regulatory Bodies	 Report Submission Communication for Updates Audit or Inspection Visit by Authorities
Suppliers / Contractors / Consultants	 Annual Evaluation and Performance Review Regular Meetings and Correspondence Site Inspection Exercise Contract Negotiation
Customers	 Customer Satisfaction Survey Frequent Customer Engagement and Interaction On-site Factory Visit
Employees	 Training and Development Performance Appraisal Exercise Corporate Events and Internal Communications
Local community	DonationsCommunity or engagement programme

ECONOMIC

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

We recognise the importance of meeting customers' requirements. In this regard, our sales and marketing personnel visit our customers regularly to obtain customers' feedback on the quality of our products and services. We also invite our customers for factory visits and to review and understand our production processes. This practice also helps to build a strong and trustworthy trade relationship with our customers.

We practise transparent and fair procurement policies among our suppliers. We conduct annual evaluation and performance review on our suppliers in meeting several criteria such as pricing, on-time delivery, quality and timely response.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENT

Our Group is committed to safeguarding the environment, we continue to monitor and minimise any potential adverse effects of our business operations that may impact the community and environment.

Environment Management System

Our Group recognise the impact of our day-to-day business operations on the environment. As such, we are committed to achieving excellence in manufacturing and managing our operations in an environmentally sustainable way by continuously reviewing the controls and standard operating procedures with regard to our business operations and manufacturing activities. Our manufacturing plants are accredited with ISO 14001: Environment Management System.

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

Electricity and Paper Consumption

We promote environmental conscious work practices such as energy saving and recycling in order to reduce adverse impact on the environment. We have monitored the energy and water consumption on a monthly basis and any unusual deviations shall be promptly addressed and investigated. Our employees are educated to switch off air-conditioning and lightings during lunch hours and after office hours to reduce unnecessary energy consumption. Also, any leakage of water connections will be fixing as soon as it is noticed to avoid waste consumption. Our employees are also encouraged to reduce printing or photocopying, and where possible, to use double side printing and recycled paper to reduce carbon footprint on the environment. Our Group also encourage paperless working environment and practice online E-payment to suppliers, E-notification from human resource department to all employees and E-Annual Report to shareholders.

Waste Management

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

SOCIAL

The Workplace

Our Group identified that workplace safety and health is one of the key areas of sustainability for our business. In this regard, we continuously aim to provide a safe working environment for all our employees, customers, suppliers and business partners entering our premises and ensure safe practices in all aspects.

Regular workplace safety inspections and audits and training form part of our 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 our employees are well prepared in the event of emergency. We have formed Emergency Response Team to handle emergency situations pending the arrival of assistance from the respective authorities during emergency situations.

We also provide our employees the right protection equipment tools such as face masks, hand gloves and safety shoes and educate our employees to wear these protection equipment tools while working. Smoking is also prohibited within the factories to prevent for fire incidence at the workplace.

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

The Employees

Recognising that our employees are our greatest asset and strength, we continue to focus on human capital development to help our employees reach their full potential. We also provide on-the-job training, both internal and external, to our employees to ensure that they are well equipped with the necessary skills, job knowledge and competency level, so that they can execute their roles and responsibilities effectively and efficiently as well as for their personal and career development.

We recognise that promoting health is an essential part of our responsibility to our employees. In this regard, various initiatives such as sports activities are carried out regularly, aimed at developing a healthy lifestyle among our employees. We also take care of the health and well-being of our employees via medical benefits as well as Group Personal Accident and Group Hospitalisation and Surgical Insurance coverage.

The Community

Our Group recognise that we can make a positive impact to the community by giving financial and other resources towards meaningful causes. We provide industrial training for students undertaking various courses every year. During the financial year, our Group had continued to take in students from local institutions, colleges and universities as trainees. This practice provided a chance for our Group to discover talented candidates to work with us as well as supporting the Malaysian educational system for human capital development.

CONCLUSION

Our Group is committed in balancing good economic performance with responsible environmental and social commitments, we will ensure that the notion of sustainability be embedded within our organisation as an important corporate culture. We will strive to ensure our sustainability practices by applying effective and responsible approach and mitigating foreseeable risks in delivering sustainable value to our stakeholders. We also practice to report the sustainability progress through transparent sustainability reporting.

This statement is made in accordance with a resolution of the Board dated 6 August 2021.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

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

BOARD'S RESPONSIBILITY

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

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

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

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

RISK MANAGEMENT

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

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

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

RISK MANAGEMENT (CONT'D)

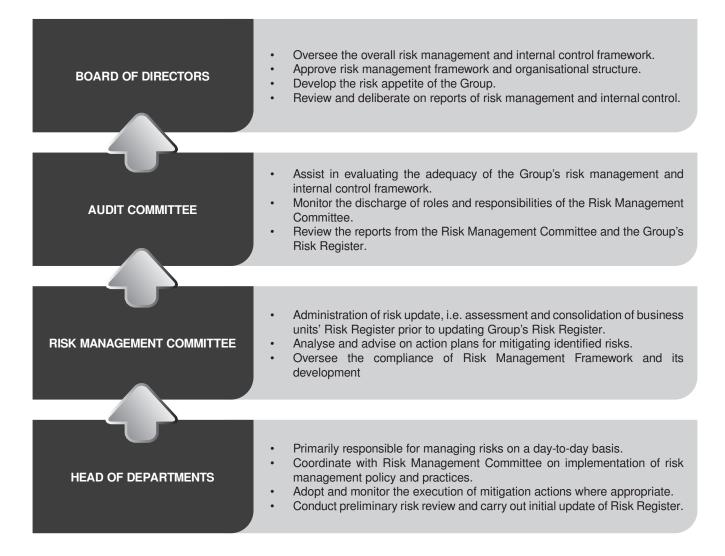
Risk Management Framework

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

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

Risk Management Structure

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



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

RISK MANAGEMENT (CONT'D)

Risk Management Framework (Cont'd)

Risk Management Process

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

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

INTERNAL CONTROL

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

- i. The Board has established a hierarchical organisation structure with proper segregation of duties for key functions of the operations of the Group.
- ii. Delegation of authority including authorisation limits at various levels of management and those requiring the Board's approval are clearly defined to ensure accountability and responsibility.
- iii. Clear, formalised and documented internal policies, standards and procedures are in place to ensure compliance with internal controls and relevant laws and regulations. YBS has a stand-alone Whistle Blowing Policy to provide an avenue for staff or any external party to report any breach or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines. YBS has adopted a zero-tolerance approach towards bribery and corruption and developed an Anti-Bribery and Corruption Policy to comply with the Malaysian Anti-Corruption Commission Act 2018 and any of its amendments. All concerns reported will be taken seriously, treated in confidential manner and investigated immediately.
- iv. The significant operations of each business unit of the Group are accredited with ISO 9001: Quality Management System and ISO 14001: Environmental Management System, and are subject to yearly audit reviews. This ensures that the quality and environmental management system comply with international standards and are continuously improved upon.
- v. An annual budget where key performance indicators for each business unit are set, are submitted to the Board for approval. Actual performance is reviewed against budget every six months, allowing timely response and corrective actions to be taken to mitigate significant risks.
- vi. The Group's performance is monitored through management and operational meetings attended by Senior Management. The Executive Directors are also actively involved in the day-to-day operations of the Group.

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

INTERNAL CONTROL (CONT'D)

- vii. There are guidelines within the Group for hiring and termination of staff. Appointment of staff is based on the required level of qualification, experience and competency to fulfill their responsibilities. An induction programme is conducted for all new employees to ensure that they are aware of the existing code of ethical conduct and culture. Training and development programmes are identified and scheduled for employees to ensure that employees are equipped with the necessary knowledge and competencies to carry out their responsibilities. In addition, a formal employee appraisal to evaluate and measure the employees' performance and their competency is performed at least once a year.
- viii. Quarterly and yearly financial and management reports are submitted to the Audit Committee and the Board for review and approval.
- ix. There is sufficient insurance coverage and physical safeguards on major assets to ensure the Group's assets are adequately covered against any mishap that could result in material loss. A yearly policy renewal exercise is undertaken in which Management reviews the coverage based on the current fixed assets and inventory balances and the respective net carrying amounts and "replacement value", i.e. the prevailing market price for the same or similar item, where applicable.
- x. Through internal audits, the Audit Committee assesses compliance with policies and procedures and relevant laws and regulations. In addition, it examines and evaluates the effectiveness and efficiency of the Group's internal control system.

INTERNAL AUDIT FUNCTION

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

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

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

ASSURANCE FROM MANAGEMENT

The Board has received assurance in writing from the Group's Managing Director and the Finance Managers of the Group that the Group's risk management and internal control system are operating adequately and effectively, in all material aspects, to ensure achievement of corporate objectives.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraphy 15.23 of the ACE LR, the External Auditors have reviewed this Statement for inclusion in the annual report of the Group for the year ended 31 March 2021. Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the annual report and reported to the Board that nothing has come to their attention that cause them to believe that this statement, in all material respects: has not been prepared in accordance with the disclosure required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

CONCLUSION

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

This statement is made in accordance with a resolution of the Board dated 6 August 2021.

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiaries are disclosed in Note 5 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit after tax for the financial year	2,339,344	1,034,569
Attributable to :		
Owners of the Company	2,196,891	1,034,569
Non-controlling interests	142,453	-
	2,339,344	1,034,569

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividends in respect of the financial year ended 31 March 2021.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) the Company increased its issued and paid-up share capital of the Company from RM 35,116,236 to RM 35,692,306 by ways of issuance of 3,100,200 new ordinary shares from the exercise of options under the Company's Employee Share Option Scheme at the exercise prices as disclosed in Note 20(b) to the financial statements which amounted to RM 576,070. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.
- (b) there were no issues of debentures by the Company.

TREASURY SHARES

During the financial year, the Company has resold 2,428,800 of its issued ordinary shares to the open market at an average price of RM 0.22, RM 0.26 and RM 0.34 per share in month of August 2020, January 2021 and February 2021 respectively. The total consideration received from the resale was RM 688,612 including transaction costs.

DIRECTORS' REPORT (CONT'D)

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company except for the share options granted pursuant to the Company's Employee Share Option Scheme below.

EMPLOYEE SHARE OPTION SCHEME

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.

The main features of the ESOS are as follows:-

- (i) Eligible person is those who has been confirmed in service on the date of offer, who is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings. If the eligible person is an employee, the eligible person has to be employed full time by and on the payroll of any entity in the Group and fulfills any other criteria and/or falls within such category as may be determined by the ESOS Committee from time to time. In respect of a director, the director must be at least 18 years of age and is not an undischarged bankruptcy nor subject to any bankruptcy proceedings. The director has to be appointed as a director of the Company or any entity in the Group for such period as may be determined by the ESOS Committee prior to and up to the date of offer and fulfills any other criteria and/or falls within such category as may be determined by the ESOS Committee from time to time.
- (ii) The maximum allowable allotments for the directors was approved by the shareholders of the Company at the Extraordinary General Meeting. The ESOS Committee may, in its absolute discretion, waives any of the conditions of the eligibility as set out above. The eligibility and number of ESOS options to be offered to an eligible person shall be at the sole and absolute discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding.
- (iii) The aggregate number of ordinary shares to be issued under the ESOS shall not exceed 30% of the issued and paid-up ordinary share capital of the Company at any given time.
- (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.

The details of the ESOS are disclosed in Note 20(b) to the financial statements.

DIRECTORS' REPORT (CONT'D)



Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value 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 which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

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

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature other than disclosed in Note 30 to the financial statements.

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, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

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DIRECTORS' REPORT (CONT'D)

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

YBhg Dato' (Dr) Pahamin Ab Rajab Yong Chan Cheah Yong Swee Chuan Low Hee Chung Gor Siew Yeng Chuah Poay Ngee (Resigned o Dato Jimmy Ong Chin Keng (Appointed

(Resigned on 08.12.2020) (Appointed on 05.02.2021)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Khor Leong Khor Sian Phang Poa Mei Ling Richi Maraparampil Redimdos

(Resigned on 31.10.2020)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares, options over unissued shares or debentures of the Company and its related corporations during the financial year are as follows:-

		Number of Ordi	nary Shares	
	At	· · ·		At
	1.4.2020	Bought	Sold	31.3.2021
The Company				
YBhg Dato' (Dr) Pahamin Ab Rajab				
- Direct interest	12,000,000	-	-	12,000,000
Yong Chan Cheah				, ,
- Direct interest	12,924,979	522,600	-	13,447,579
- Indirect interest*	45,600,000	-	-	45,600,000
Yong Swee Chuan				
- Direct interest	12,924,978	522,600	-	13,447,578
- Indirect interest*	45,600,000	-	-	45,600,000
	Number of Opt	ions under Emp	loyee Share Opt	ion Scheme
	At			At
	1.4.2020	Granted	Exercised	31.3.2021
The Component				
The Company		200,000		200.000
YBhg Dato' (Dr) Pahamin Ab Rajab	-	300,000	-	300,000
Yong Chan Cheah	-	2,613,000	(522,600)	2,090,400
Yong Swee Chuan	-	2,613,000	(522,600)	2,090,400
Low Hee Chung	-	500,000	-	500,000
Gor Siew Yeng	-	380,000	(76,000)	304,000

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

By virtue of their interests in the Company, Yong Chan Cheah and Yong Swee Chuan are deemed to have interests in the shares of the Company and its related corporations during the financial period in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had not interest in shares or options over unissued shares of the Company or its related corporations during the financial year.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements, or the fixed salary of a full-time employee of the Company or related corporations) by reason of a contract made by the Company or a related corporation with the 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 except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 35(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than share options granted to certain directors pursuant to the ESOS of the Company.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Group and of the Company during the financial year are disclosed in Note 34 to the financial statements.

INDEMNITY AND INSURANCE COST

The Company maintains a Directors' and Officers' Liability Insurance Policy on a group basis. During the financial year, the total amounts of indemnity coverage and insurance premium paid for the directors and certain officers of the Group was RM 91,324.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 39 to the financial statements.

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 40 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 30 to the financial statements.

Signed in accordance with a resolution of the directors dated 8 July 2021.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Yong Chan Cheah and Yong Swee Chuan, being two of the directors of YBS International Berhad, state that, in the opinion of the directors, the financial statements set out on pages 51 to 125 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 of 31 March 2021 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 8 July 2021.

Yong Chan Cheah

Yong Swee Chuan

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Yong Chan Cheah, being 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 51 to 125 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned Yong Chan Cheah at Muar in the state of Johor Darul Takzim on this 8 July 2021.

Yong Chan Cheah

Before me Lim Pei Ling No. J238 Commissioner for Oaths Annual Report 2021

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 2021 of the Group and of the Company, and the statements of profit or loss and other 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 a summary of significant accounting policies, as set out on pages 51 to 125.

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 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinions

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.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment assessment of goodwill							
Key audit matter	How our audit addressed the key audit matter						
We focused on this area because the Group carries significant goodwill. The Group's assessment of impairment of goodwill is a judgemental process which requires estimates concerning the forecast future cash flows associated with the goodwill held in determining the value in use. Refer to Note 4.3 in the summary of significant accounting policies and Note 9 to the financial statement.	 Our procedures included, amongst others:- Reviewed the reasonableness of assumptions, either individually or as a whole, provide a reasonable basis for the fair value measurements and disclosures; Determined the method of valuation chosen by management is appropriate and identify if there are any indicators of possible management bias; Developed stress tests on certain key assumptions used and assess the range estimate for all reasonable outcomes; and Established that if there is any foreseeable reasonable possible change in key assumptions that will trigger the recoverable amount to be lower than the carrying amount. 						

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)

Impairment assessment of investment in subsidiar	ies
Key audit matter	How our audit addressed the key audit matter
The Company has investment in subsidiaries with aggregate carrying amount of approximately RM 44,359,093 as at 31 March 2021. Management carried out impairment assessment on the Company's investment in subsidiaries with impairment indicator in which the subsidiaries' net assets value is below their respective cost of investment of the Company, namely Oriental Fastech Manufacturing Sdn. Bhd., Edaran Precision India Private Limited and Edaran Interconnect Sdn. Bhd. Refer to Note 4.6 in the summary of significant accounting policies and Note 5 to the financial statement.	 Our procedures included, amongst others:- Leveraged on testing performed on impairment assessment of property, plant and equipment in respect of the applicable cash generating units' (CGUs) key assumptions on revenue cash flow forecasts and operating profit margins in the 5-year detailed forecast period. Also leverages on the sensitivity analysis performed on these key assumptions; Checked that cash flows which are attributable to equity holders had been appropriately included within the value in use calculations; Checked that discount rates used reflect industry cost of equity by comparing the rates used to comparable industry rates in which the applicable CGUs operate; and Assessed the adequacy of disclosures in the financial statements.

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 such as Directors' Report and statement by directors included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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.

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 (Cont'd)

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.

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

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

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

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF YBS INTERNATIONAL BERHAD (Incorporated in Malaysia) Registration No.: 200201014380 (582043-K)

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 5 to the financial statements.

OTHER MATTERS

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.

Crowe Malaysia PLT 201906000005 (LLP0018817-LCA) & AF 1018 Chartered Accountants

Muar, Johor Darul Takzim Date: 8 July 2021 Ng Kim Hian 02506/04/2023 J Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2021

		Tł	ne Group	The	Company
	Note	2021	2020	2021	2020
		RM	RM	RM	RM
ASSETS					
Non-Current Assets					
Investment in subsidiaries	5	-	-	44,359,093	43,491,501
Property, plant and equipment	6	26,719,646	30,588,192	11,568	12,999
Investment properties	7	608,328	623,108	-	-
Right-of-use assets	8	32,498,987	4,714,160	-	-
Goodwill	9	10,655,631	10,655,631	-	-
Deferred tax assets	10	406,560	525,821	9,000	10,000
Other receivables, deposits and prepayments	13	278,551	248,952	-	-
Amount owing by subsidiaries	14	-	-	4,254,549	1,163,160
		71,167,703	47,355,864	48,634,210	44,677,660
Current Assets					
Inventories	11	10,395,678	11,408,537	-	-
Trade receivables	12	10,975,355	10,484,182	-	-
Other receivables, deposits and prepayments	13	2,614,560	4,222,862	15,330	15,330
Amount owing by subsidiaries	14	-	-	375,920	3,094,057
Amount owing by related parties	15	46,219	175	-	-
Short-term investment	16	2,933,669	808,305	-	-
Current tax assets		591,495	409,934	-	-
Fixed deposits with licensed banks	17	189,225	192,379	-	-
Cash and bank balances		7,823,476	6,615,311	1,295,974	104,050
		35,569,677	34,141,685	1,687,224	3,213,437
TOTAL ASSETS		106,737,380	81,497,549	50,321,434	47,891,097

STATEMENTS OF FINANCIAL POSITION (CONT'D)

AS AT 31 MARCH 2021

		TI	ne Group	The	Company
	Note	2021	2020	2021	2020
		RM	RM	RM	RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	18	35,692,306	35,116,236	35,692,306	35,116,236
Treasury shares	19	-	(326,774)	-	(326,774)
Reserves	20	26,253,201	23,481,412	13,296,217	11,367,135
Equity Attributable to Owners of the Company		61,945,507	58,270,874	48,988,523	46,156,597
Non-controlling interests	5(b)	1,101,158	719,077	-	-
TOTAL EQUITY		63,046,665	58,989,951	48,988,523	46,156,597
Non-Current Liabilities					
Borrowings	21	21,676,109	1,671,880	-	-
Lease liabilities	22	2,948,929	949,327	-	-
Deferred tax liabilities	10	1,233,650	1,194,956	-	-
Deferred income on government grants	23	1,046,354	618,062	-	-
		26,905,042	4,434,225	-	-
Current Liabilities					
Trade payables	24	5,892,959	5,705,766	-	-
Other payables and accruals	25	4,861,102	5,620,322	91,887	270,383
Amount owing to subsidiaries	14	-	-	1,236,441	1,461,872
Amount owing to related parties	15	150,885	234,030	-	-
Current tax liabilities		-	-	4,583	2,245
Bank overdrafts	26	522,294	732,662	-	-
Borrowings	21	4,245,875	4,721,974	-	-
Lease liabilities	22	1,112,558	1,058,619	-	-
		16,785,673	18,073,373	1,332,911	1,734,500
TOTAL LIABILITIES		43,690,715	22,507,598	1,332,911	1,734,500
TOTAL EQUITY AND LIABILITIES		106,737,380	81,497,549	50,321,434	47,891,097

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

		Tł	ne Group	The	Company
	Note	2021	2020	2021	2020
		RM	RM	RM	RM
REVENUE	27	63,129,594	67,733,808	1,722,510	3,466,555
COST OF SALES	21	(51,260,528)	(57,806,635)	1,722,510	3,400,555
GROSS PROFIT		11,869,066	9,927,173	1,722,510	3,466,555
OTHER OPERATING INCOME					
		921,071 (514,026)	999,755 (777,405)	61,822	123,963
SELLING AND DISTRIBUTION EXPENSES ADMINISTRATIVE EXPENSES		(514,026)	(777,495)	- (610,344)	-
		(7,868,573)	(8,584,596)		(799,265)
OTHER OPERATING EXPENSES		(793,749)	(69,658)	(48,329)	(345,287)
		3,613,789	1,495,179	1,125,659	2,445,966
		(484,739)	(612,071)	-	(4,523)
NET IMPAIRMENT GAIN/(LOSS) ON FINANCIAL ASSETS	29	-	149,718	-	(3,191,468)
PROFIT/(LOSS) BEFORE TAX	30	3,129,050	1,032,826	1,125,659	(750,025)
INCOME TAX EXPENSE	31	(789,706)	(587,119)	(91,090)	(99,970)
PROFIT/(LOSS) AFTER TAX FOR THE FINANCIAL YEAR		2,339,344	445,707	1,034,569	(849,995)
OTHER COMPREHENSIVE INCOME/ (EXPENSES):-					
ITEM THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS					
 FOREIGN CURRENCY TRANSLATION DIFFERENCES 		98,181	(56,149)		-
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE FINANCIAL YEAR		2,437,525	389,558	1,034,569	(849,995)
PROFIT/(LOSS) AFTER TAX FOR THE FINANCIAL YEAR ATTRIBUTABLE TO:-					
Owners of the Company		2,196,891	610,366	1,034,569	(849,995)
Non-controlling interests		142,453	(164,659)	-	-
		2,339,344	445,707	1,034,569	(849,995)
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE FINANCIAL YEAR ATTRIBUTABLE TO:-					
Owners of the Company		2,295,072	548,868	1,034,569	(849,995)
Non-controlling interests		142,453	(159,310)	-	-
-		2,437,525	389,558	1,034,569	(849,995)
EARNINGS PER SHARE					
Basic (sen)	32	0.91	0.25		
Diluted (sen)	32	0.89	N/A		
	52	0.00	1 1/7 1		

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Foreign Note Foreign Shares Shares RM Foreign Formany RM Formployee Shares Shares Shares Shares RM Formployee Shares RM Attributable Southout RM Connerts RM Attributable RM Connerts RM Attributable RM Connerts RM Attributable RM Connerts RM Connerts RM Connerts RM Connerts RM Attributable RM Connerts RM Connerts RM Connerts RM Connerts RM Connerts RM Connerts RM Connerts RM Connerts RM Connerts RM Attributable RM Connerts RM Attributable RM Connerts RM Attributable RM Connerts RM Attributable RM Connerts RM Attributable RM Connerts RM Attributable RM Attributable RM Connerts RM Attributable RM Attributable RM<					Non-distributable	ibutable	Distributable			
RM	The Group	Note	Shares Capital	Treasury Shares	Foreign Exchange Translation Reserve	Employee Share Option Reserve	Retained Profits	Attributable to Owners of the Company	Non- controlling Interests	Total Equity
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$			RM	RM	RM	RM	RM	RM	RM	RM
Image: Second conduction - - - 2,196,891 14 Image: Second conduction - - 91,503 - 91,503 14 Image: Second conduction - - 91,503 - 91,503 14 Image: Second conduction - 91,503 - 2,196,891 2,196,891 14 Image: Second conduction - 91,503 - 2,196,891 2,288,394 14 Image: Second conduction - 91,503 - 2,196,891 2,288,394 14 Image: Second conduction - 91,503 - 2,196,891 2,288,394 14 Image: Second conduction - - 91,503 - 2,1220 2,21,220 Image: Second cond conduction - - 721,220 - 721,220 Image: Second cond cond cond cond cond cond cond	At 1 April 2020		35,116,236	(326,774)	558,965	1	22,922,447	58,270,874	719,077	58,989,951
ar	Total comprehensive income for the financial year									
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	Profit after tax for the financial year		I	I	ı	ı	2,196,891	2,196,891	142,453	2,339,344
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	Other comprehensive income:									
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	- Foreign currency translation differences		ı	ı	91,503	ı		91,503	6,678	98,181
e 19(a) - 326,774 - - 361,838 688,612 - - - 326,774 - - 361,838 688,612 - - - 721,220 - 721,220 - 721,220 - - - 721,220 - 721,220 - 721,220 a 576,070 - - (188,545) - 737,525 a - - - (188,545) - 387,525 576,070 326,774 - 532,675 (49,280) 1,386,239		1	ı	I	91,503	I	2,196,891	2,288,394	149,131	2,437,525
19(a) - 326,774 - - 361,838 688,612 - - - - 721,220 - 721,220 - 576,070 - - 721,220 - 721,220 a - - - 721,220 - 721,220 a - - - 721,220 - 721,220 a - - - (188,545) - 387,525 a - - - (118,545) - 387,525 576,070 326,774 - - - (411,118) (411,118) 5576,070 326,774 - 532,675 (49,280) 1,386,239	Transactions with owners of the									
19(a) - 326,774 - - 361,838 688,612 - - - 721,220 - 721,220 - 576,070 - - 721,220 - 721,220 a - - (188,545) - 387,525 576,070 25,774 - 532,675 (411,118) (411,118)	Company									
ad 576,070 721,220 - 721,220 a 576,070 (188,545) - 387,525 a (411,118) (411,118) 576,070 326,774 - 532,675 (49,280) 1,386,239 a concrete co	Treasury shares sold	19(a)	'	326,774	ı	'	361,838	688,612	·	688,612
a 576,070 - (188,545) - 387,525 a (411,118) (411,118) 576,070 326,774 - 532,675 (49,280) 1,386,239 a	Employees' share option granted		I			721,220	I	721,220		721,220
a (411,118) (411,118) 576,070 326,774 - 532,675 (49,280) 1,386,239 0.650,000 20,010 0,016,000 0,016,000 0,0000 0,000 0,000 0,000 0,000 0,000 0,0000 0,0000 0,0000 0,0000 0,0000 0,0000 0,0000 0,0000 0,0000 0,0000 0,0000 0,0000 0,0000 0,0000 0,0000 0,0000 0,00000 0,00000 0,00000 0,00000 0,00000 0,00000 0,00000 0,00000 0,000000	Employees' share option exercised		576,070		ı	(188,545)		387,525		387,525
576,070 326,774 - 532,675 (49,280) 1,386,239 556,070 56,774 - 532,675 (49,280) 1,386,239 55,00,006 51,015,507 1	Changes in ownership interest in subsidiary that do not result in a									
576,070 326,774 - 532,675 (49,280) 1,386,239	loss of control		ı	ı		I	(411,118)	(411,118)	232,950	(178,168)
			576,070	326,774		532,675	(49,280)	1,386,239	232,950	1,619,189
33,932,300 - 930,400 232,010 23,010,030 01,943,301	At 31 March 2021		35,692,306	ı	650,468	532,675	25,070,058	61,945,507	1,101,158	63,046,665

STATEMENTS	OF CHANGES	IN EQUITY	(CONT'D)
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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

			_	Non- distributable	Distributable			
The Group	Note	Shares Capital	Treasury Shares	Foreign Exchange Translation Reserve	Retained Profits	Attributable to Owners of the Company	Non- controlling Interests	Total Equity
		RM	RM	RM	RM	RM	RM	RM
At 1 April 2019		35,116,236	(146,118)	620,463	22,312,081	57,902,662	878,387	58,781,049
<u>Total comprehensive income/ (expenses) for</u> <u>the financial year</u>								
Profit after tax for the financial year		ı	I	ı	610,366	610,366	(164,659)	445,707
Other comprehensive (expenses)/income:								
- Foreign currency translation differences		I	1	(61,498)	I	(61,498)	5,349	(56,149)
		T	I	(61,498)	610,366	548,868	(159,310)	389,558
Transactions with owners of the Company	<u></u>							
Purchase of treasury shares	19(b)		(180,656)			(180,656)		(180,656)
			(180,656)			(180,656)		(180,656)
At 31 March 2020	I	35,116,236	(326,774)	558,965	22,922,447	58,270,874	719,077	58,989,951

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

				Non- distributable	Distributable	
The Company	Note	Shares Capital	Treasury Shares	Employee Shares Options Reserves	Retained Profits	Total Equity
		RM	RM	RM	RM	RM
At 1 April 2019		35,116,236	(146,118)	-	12,217,130	47,187,248
Loss after tax and total comprehensive expense for the financial year		-	-	-	(849,995)	(849,995)
Transactions with owners						
Purchase of treasury shares	19(b)	-	(180,656)	-	-	(180,656)
		-	(180,656)	-	-	(180,656)
At 31 March 2020/At 1 April 2020		35,116,236	(326,774)	-	11,367,135	46,156,597
Profit after tax and total comprehensive income for the financial year		-	-	-	1,034,569	1,034,569
Transactions with owners		_				
Treasury shares sold	19(a)	-	326,774	-	361,838	688,612
Employee's share option granted		-	-	721,220	-	721,220
Employee's share option exercised		576,070	-	(188,545)	-	387,525
		576,070	326,774	532,675	361,838	1,797,357
At 31 March 2021		35,692,306	-	532,675	12,763,542	48,988,523

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STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

		The	e Group	The	Company
	Note	2021	2020	2021	2020
		RM	RM	RM	RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit/(Loss) before tax		3,129,050	1,032,826	1,125,659	(750,025)
Adjustment for:-					
Depreciation of property, plant and equipment		3,656,928	3,904,984	1,431	3,699
Depreciation of investment properties		14,780	14,780	-	-
Depreciation of right-of-use assets		1,365,477	1,062,891	-	-
Impairment losses:					
- trade receivables		-	2,264	-	-
- amount owing by subsidiaries		-	-	-	3,191,468
- investment in a subsidiary		-	-	-	291,742
Gain on disposal of property, plant and equipment		(12,817)	-	-	-
Reversal of allowance for impairment losses on trade receivables		-	(151,982)	-	-
Inventories written down		197,367	275,885	-	-
Reversal of inventories previously written down		(141,922)	-	-	-
Amortisation of deferred income on government grants		(71,708)	(65,791)	-	-
Property, plant and equipment written off		8	5	-	-
Unrealised loss/(gain) on foreign exchange		480,122	(263,593)	41,783	(53,724)
Share options to employee		31,796	-	31,796	-
Dividend income		(25,364)	(10,966)	(1,000,000)	(2,712,000)
Finance costs		484,739	612,071	-	4,523
Interest income	-	(84,922)	(53,236)	(61,822)	(70,239)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		9,023,534	6,360,138	138,847	(94,556)
BALANCE CARRIED FORWARD		9,023,534	6,360,138	138,847	(94,556)

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

		The Group		The Company	
	Note	2021	2020	2021	2020
		RM	RM	RM	RM
BALANCE BROUGHT FORWARD		9,023,534	6,360,138	138,847	(94,556)
Changes In Working Capital					
Inventories		957,414	458,039	-	-
Trade and other receivables, deposits and prepayments		(1,353,679)	(283,998)	-	558
Trade and other payables and accruals		1,179,075	(1,325,888)	(178,496)	170,915
Related parties		(129,189)	136,902	-	-
Subsidiaries		-	-	(640,466)	(2,014,271)
CASH GENERATED FROM OPERATIONS		9,677,155	5,345,193	(680,115)	(1,937,354)
Interest paid		(44,250)	(126,374)	-	-
Interest received		84,922	53,236	61,822	70,239
Tax paid		(826,963)	(1,020,822)	(87,752)	(110,382)
Tax refund		12,159	527,316	-	60,050
Dividend income		25,364	10,966	-	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES	3	8,928,387	4,789,515	(706,045)	(1,917,447)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Addition investment in existing subsidiary	5(a)	-	-	(178,168)	-
Addition of right-of-use assets	33(a)	(3,082,925)	-	-	-
Proceeds from disposal of property, plant and equipment		81,063	-	-	-
Purchase of property, plant and equipment	33(a)	(2,597,917)	(1,781,881)	-	(14,310)
Dividend received from subsidiaries		-	-	1,000,000	2,712,000
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(3,328,608)	(1,781,881)	821,832	2,697,690
BALANCE CARRIED FORWARD		3,328,608	3,007,634	115,787	780,243

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STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

		The Group		The Company	
	Note	2021	2020	2021	2020
		RM	RM	RM	RM
BALANCE BROUGHT FORWARD		3,328,608	3,007,634	115,787	780,243
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Acquisition of non-controlling interest		(178,168)	-	-	-
Interest paid		(440,489)	(485,697)	-	(4,523)
Grant received from government		500,000	-	-	-
Drawdown of term loans		4,926,040	4,569,087	-	-
Repayment of term loans	33(b)	(5,556,647)	(4,412,207)	-	(579,593)
Drawdown of bankers' acceptance	33(b)	6,103,464	8,120,000	-	-
Repayment of bankers' acceptance	33(b)	(5,899,464)	(8,703,000)	-	-
Refinance of lease liabilities	33(b)	448,000	330,000	-	-
Repayment of hire purchase payables	33(b)	-	(141,119)	-	-
Repayment of lease liabilities	33(b)	(1,110,115)	(959,819)	-	-
Placement of fixed deposits pledged as securities		-	(95,359)	-	-
Proceeds from issuance of shares		387,525	-	387,525	-
Purchase of treasury shares		-	(180,656)	-	(180,656)
Proceeds from disposal of treasury shares		688,612	-	688,612	
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(131,242)	(1,958,770)	1,076,137	(764,772)
NET INCREASE IN CASH AND CASH EQUIVALENTS		3,197,366	1,048,864	1,191,924	15,471
EFFECT OF EXCHANGE DIFFERENCES		346,531	(358,469)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		6,690,954	6,000,559	104,050	88,579
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	33(d)	10,234,851	6,690,954	1,295,974	104,050

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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 Company's registered office and principal place of business are as follows:-

Registered office:	57-G, Persiaran Bayan Indah Bayan Bay, Sungai Nibong 11900 Penang
Principal place of business:	K27, Jalan Perindustrian Kawasan Perindustrian Tanjung Agas 84000 Muar Johor Darul Takzim

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 8 July 2021.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiaries are disclosed in Note 5 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)

Amendments to MFRS 3: Definition of a Business Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9 Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform Amendment to MFRS 16: Covid-19-Related Rent Concessions Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to MFRS 101 and MFRS 108: Definition of Materials Amendments to References to the Conceptual Framework in MFRS Standards

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.



FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

Effective date

MFRSs and/or IC Interpretations (including the Consequential Amendments)

MFRS 17 : I	Insurance Contracts	1 January 2023
Amendments to MFRS 3 : I	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, : I MFRS 139 and MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2	1 January 2021
	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 : I	Insurance Contracts	1 January 2023
Amendments to MFRS 101 : 0	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101 : I	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 : I	Definition of Accounting Estimates	1 January 2023
	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116 : I	Property, Plant and Equipment - Proceeds Before Intended Use	1 January 2022
Amendments to MFRS 137 : 0	Onerous Contract – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFR	IS Standards 2018 - 2020	1 January 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Critical Accounting Estimates and Judgements

The outbreak of the Covid-19 has brought unprecedented challenges and added economic uncertainties in Malaysia and markets in which the Group operates. While the Group has considered the potential financial impact of the Covid-19 pandemic in the preparation of these financial statements, the full financial impact to the Group remains uncertain. Accordingly, there is a possibility that factors not currently anticipated by management could occur in the future and therefore affect the recognition and measurement of the Group's assets and liabilities at the reporting date.

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 6 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Critical Accounting Estimates and Judgements (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(b) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cashgenerating unit to which the goodwill is allocated. Estimating a value in use amount 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 which are subject to higher degree of estimation uncertainties due to uncertainty on how the Covid-19 pandemic may progress and evolve and volatility in markets in which the Group operates. The carrying amount of goodwill as at the reporting date is disclosed in Note 9 to the financial statements.

(c) Impairment of Property, Plant and Equipment

The Group determines whether an item of its property, plant and equipment is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determined the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates which are subject to higher degree of estimation uncertainties due to uncertainty on how the Covid-19 pandemic may progress and evolve and volatility in markets in which the Group operates. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 6 to the financial statements.

(d) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables (other than inter-company balances). The Group develops the expected loss rates based on the payment profiles of past sales including changes in the customer payment profile in response to the Covid-19 pandemic and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date are disclosed in Note 12 to the financial statements.

(e) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the year in which such determination is made.

(f) Inventories Written Down

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 11 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Critical Accounting Estimates and Judgements (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(g) Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences or unused tax losses or unabsorbed capital allowances to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences or unused tax losses or unabsorbed capital allowances could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amount of deferred tax assets as at the reporting date is disclosed in Note 10 to the financial statements.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Classification between Investment Properties and Owner-occupied Properties

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply or for administrative purpose.

(b) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

In determining the incremental borrowing rate of the respective leases. The Group first determines the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

4.2 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Basis of Consolidation (Cont'd)

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statements of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(c) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

4.4 Functional and Foreign Currencies

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

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

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(c) Foreign Operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial Instruments

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 – Revenue from Contracts with Customers at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial Instruments (Cont'd)

(a) Financial Assets (Cont'd)

Equity Instruments

All equity investments are subsequent measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

(i) Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Where treasury shares are reissued by resale, the difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity.

Where treasury shares are cancelled, their costs are transferred to retained profits.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial Instruments (Cont'd)

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

4.6 Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the statements of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.7 Property, Plant and Equipment

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Property, Plant and Equipment (Cont'd)

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:-

	%
Leasehold building and improvements	1.7 - 20.0
Plant and machinery	5.0 - 33.3
Furniture, fittings and office equipment	10.0 - 40.0
Motor vehicles	11.9 - 20.0

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

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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.

4.8 Investment Properties

Investment properties are properties which are owned or right-to-use asset held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss on a straight-line method over the estimated useful lives of the investment properties. The estimated useful lives of the investment properties are 50 years.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-ofuse assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjustment for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount has been reduced to zero.

4.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the 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 the 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.

4.11 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 Impairment

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statements of financial position.

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment loss recognised in respect of a cashgenerating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

4.14 Employee Benefits

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(c) Share-based Payments Transactions

The Group operates an Employees Share Option Scheme ("ESOS") as an equity-settled, share-based compensation plan under which the entities within the Group receives services from eligible persons (i.e. employees and directors) as consideration for equity instruments (options) of the Company. The fair value of the options granted in exchange for the services of the employees are recognised as employee benefit expense with a corresponding increase to share option reserve within equity. The total amount to be expensed is determined by reference to the fair value of the options granted based on the conditions to be determined by the ESOS Committee which may include the following conditions:-

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding of shares for a specific period of time).

Non-market vesting conditions and service conditions are included in assumptions about the number of options that are expected to vest.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of the reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share option reserve in equity.

In circumstances where eligible persons provide services in advance of the grant date, the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained profits.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 Employee Benefits (Cont'd)

(c) Share-based Payments Transactions (Cont'd)

In its separate financial statements of the Company, the grant by the Company of options over its equity instruments to the eligible persons of any subsidiaries in the Group is treated as a capital contribution to the affected subsidiary. The fair value of options granted to eligible persons of the subsidiary in exchange for the services of the eligible persons to the subsidiary are recognised as investment in subsidiary, with a corresponding credit to equity of the Company.

4.15 Income Taxes

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax are recognised using the liability method for temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4.17 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4.18 Earnings per Ordinary Share

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

4.19 Borrowing Costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

4.20 Fair Value Measurements

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, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement 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.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 Revenue from Contracts with Customers

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Sales of Precision Engineering, Precision Plastics Injection Moulding, Precision Machining and Stamping, Electronic Manufacturing Services and Paper Product

Revenue from sale of goods is recognised 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. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

4.22 Revenue from Other Sources and Other Operating Income

(a) Management Fee Income

Management fee income is recognised on an accrual basis.

(b) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(c) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(d) Rental Income

Rental income is accounted for on a straight-line method over the lease term.

(e) Government Grants

Government grants are recognised at their fair value when there is reasonable assurance that they will received and all conditions attached will be met.

Grants that compensate the Group for expense incurred are recognised in profit or loss on a systematic basis over the period necessary to match them with the related expenses which they are intended to compensate for. These grants are presented as other income in profit or loss.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

SIGNIFICANT ACCOUNTING POLICIES (CONT'D) 4.

4.22 Revenue from Other Sources and Other Operating Income (Cont'd)

(e) Government Grants (Cont'd)

Grants that compensate the Group for the cost of an asset are recognised as deferred grant income in the statements of financial position and are amortised to profit or loss on a systematic basis over the expected useful life of the relevant assets.

5. **INVESTMENT IN SUBSIDIARIES**

	The	Company
	2021	2020
	RM	RM
Unquoted Shares, At Cost		
At 1 April	43,883,243	43,883,243
Subscription of new shares	178,168	-
Share options granted to employees of subsidiaries	689,424	-
At 31 March	44,750,835	43,883,243
Accumulated Impairment Losses		
At 1 April	(391,742)	(100,000)
Additions		(291,742)
At 31 March	(391,742)	(391,742)
Carrying Amount		
At 31 March	44,359,093	43,491,501

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business/ Country of Incorporation	Capital	Share Held by rent	Principal Activities
		2021	2020	
Edaran Precision Industries Sdn. Bhd.	Malaysia	100%	100%	Design and manufacture of high precision moulds, tools and dies.
Golden City Plastic Sdn. Bhd.	Malaysia	100%	100%	Precision engineering plastic injection moulding and sub-assembly.
Edaran Precision India Private Limited #	India	100%	70%	Design and manufacture of precision moulds, tools and dies and jigs and fixtures.
Oriental Fastech Manufacturing Sdn. Bhd.	Malaysia	100%	100%	Manufacture and sale of precision machining and stamping components for telecommunication, industrial sensors, switches, electronic equipment and other industries and provision of related specialised engineering services.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (Cont'd):-

Principal Place of Business/ Issued Share Country of Capital Held by Name of Subsidiaries Incorporation Parent Principal Activities						
		2021	2020			
Edaran Resources Pte. Ltd. #	Singapore	100%	100%	Carry out research and experimental development and trading of engineering parts including procurement and distribution.		
Edaran Interconnect Sdn. Bhd.	Malaysia	100%	100%	Manufacture and assembly of electronic components.		
Orifast Solutions Sdn. Bhd.	Malaysia	100%	100%	The entity temporarily suspended its operation while the directors are evaluating the future business.		
Bumblebee Eco Solutions Sdn. Bhd.	Malaysia	56%	56%	Manufacture and sale of paper honeycomb products.		
Indirect subsidiary held through Oriental Fastech Manufacturing Sdn. Bhd.						
Oriental Fastech Manufacturing (Vietnam) Co., Ltd. #	Vietnam	100%	100%	Manufacture of precise mechanical components, labels, metal and paper stamping components for electricity, electric, information and other industries.		
Indirect subsidiary held th	nrough Edaran Res	ources Pte	e. Ltd.			
Orifast Connector Solutions LLC*	United States of America	100%	100%	Design, development and supply of interconnect solutions.		
# Not audited by Crowe N * No requirement for state		untry of ind	corporatio	on		

- (a) During the financial year, the Company acquired additional 30% equity interest in Edaran Precision India Private Limited ("EPIPL") from its non-controlling interest for a total consideration of RM 178,168. Following the completion for the acquisition on 10 March 2021, EPIPL became wholly-owned subsidiary of the Company.
- (b) For previous financial year, the following transaction occurred:-
 - (i) As at 31 March 2020, the Company has carried out a review of the recoverable amounts of its investments in certain subsidiaries that had been persistently making losses. A total impairment loss of RM 291,742, representing the write-down of the investments to their recoverable amounts, was recognised in "Other Operating Expenses" line item of the statements of profit or loss and other comprehensive income.
 - (ii) The non-controlling interests at the end of the reporting period comprise the following:-

	Effe Equity	ctive Interest	The	e Group
	2021	2020	2021	2020
Edaran Precision India Private Limited	-	30%	_	(196,409)
Bumblebee Eco Solutions Sdn. Bhd.	44%	44%	1,101,158	915,486
			1,101,158	719,077

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) The summarised financial information (before intra-group elimination) for the subsidiary that has non-controlling interests that are material to the Group is as follows:-

	Edaran Precision India Private Limited 2020 RM
At 31 March	
Non-current assets	1,496,370
Current assets	206,576
Non-current liabilities	(453,079)
Current liabilities	(1,904,564)
Net (liabilities)	(654,697)
Financial Year Ended 31 March	
Revenue	1,049,898
loss after tax for the financial year	(671,279)
Total comprehensive expense for the financial year	(653,447)
Total comprehensive expenses for the financial year attributable to non-controlling interests	(196,034)
Net cash flows for operating activities	(509,576)
Net cash flows for investing activities	(21,592)
Net cash flows for financing activities	(49,631)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) The summarised financial information (before intra-group elimination) for the subsidiary that has non-controlling interests that are material to the Group is as follows (Cont'd):-

		olebee Eco ns Sdn. Bhd.
	2021	2020
	RM	RM
At 31 March		
Non-current assets	1,933,112	2,357,341
Current assets	1,548,821	841,431
Non-current liabilities	-	(204,822)
Current liabilities	(951,357)	(913,299)
Net assets	2,530,576	2,080,651
Financial Year Ended 31 March		
Revenue	3,096,198	2,221,371
Profit after tax for the financial year	431,872	83,466
Total comprehensive income for the financial year	431,872	83,466
Total comprehensive income for the financial year attributable to non-controlling interests	190,024	36,725
Net cash flows from operating activities	642,646	406,728
Net cash flows for investing activities	(87,286)	(142,350)
Net cash flows for financing activities	(353,100)	(104,000)

PROPERTY, PLANT AND EQUIPMENT

6.

The Group 2021	Leasehold Buildings and Improvements RM	Plant and Machinery RM	Furniture, Fittings and Office Equipment RM	Motor Vehicles RM	Capital Work-in- Progress RM	Total RM
At Cost						
At 1 April 2020	17,362,201	75,742,557	3,940,941	1,793,593	393,716	99,233,008
Additions	2,212	2,263,985	18,049	I	94,306	2,378,552
Reclassification		(2,127,240)	,	ı	(386,619)	(2,513,859)
Disposals	ı	(28,500)	(4,800)	(463,694)	ı	(496,994)
Write-off	(2,900)	(22,802)	(16,007)	ı		(41,709)
Currency translation differences	(5,679)	(96,011)	(8,771)	(15,450)	(6,454)	(132,365)
At 31 March 2021	17,355,834	75,731,989	3,929,412	1,314,449	94,949	98,426,633
Less : Accumulated Depreciation						
At 1 April 2020	7,158,264	56,520,186	3,588,411	1,377,955	I	68,644,816
Charge for the financial year	544,398	2,846,791	142,528	123,211	ı	3,656,928
Reclassification	ı	(39,946)	I	I	ı	(39,946)
Disposals	I	(20,243)	(4,799)	(403,706)	ı	(428,748)
Write-off	(2,899)	(22,797)	(16,005)	I	ı	(41,701)
Currency translation differences	(3,955)	(62,329)	(7,406)	(10,672)	I	(84,362)
At 31 March 2021	7,695,808	59,221,662	3,702,729	1,086,788	ı	71,706,987
Carrving Amount						
At 31 March 2021	9,660,026	16,510,327	226,683	227,661	94,949	26,719,646

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

The Group 2020	Leasehold Land RM	Leasehold Buildings and Improvements RM	Plant and Machinery RM	Furniture, Fittings and Office Equipment RM	Motor Vehicles RM	Capital Work-in- Progress RM	Total RM
At Cost							
At 1 April 2019							
- As previously reported	858,478	17,179,570	74,101,801	3,850,976	1,974,072	ı	97,964,897
- Initial application of MFRS 16	(858,478)	I	(599,800)		(198,962)		(1,657,240)
- As restated		17,179,570	73,502,001	3,850,976	1,775,110		96,307,657
Additions		215,315	2,522,975	64,672	,	393,716	3,196,678
Reclassification	I	ı	(381,499)	ı	ı		(381,499)
Write-off	ı	·	(290)	(4,629)	ı		(4,919)
Currency translation differences	I	(32,684)	99,370	29,922	18,483		115,091
At 31 March 2020	1	17,362,201	75,742,557	3,940,941	1,793,593	393,716	99,233,008
Less : Accumulated Depreciation							
At 1 April 2019							
- As previously reported	118,081	6,604,511	53,531,108	3,346,799	1,310,936		64,911,435
- Initial application of MFRS 16	(118,081)	I	(58,679)	I	(43,109)		(219,869)
- As restated	I	6,604,511	53,472,429	3,346,799	1,267,827	ı	64,691,566
Charge for the financial year	I	571,855	3,005,347	228,344	99,438		3,904,984
Reclassification	I	I	(11,760)	I	I	ı	(11,760)
Write-off	I	I	(290)	(4,624)	I		(4,914)
Currency translation differences	I	(18,102)	54,460	17,892	10,690		64,940
At 31 March 2020	1	7,158,264	56,520,186	3,588,411	1,377,955		68,644,816
Carrving Amount							
At 31 March 2020		10,203,937	19,222,371	352,530	415,638	393,716	30,588,192

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

	The C	ompany
	2021	2020
	RM	RM
Office Equipment and Signboard		
At Cost		
At 1 April	28,640	14,330
Additions	-	14,310
At 31 March	28,640	28,640
Less : Accumulated Depreciation		
At 1 April	15,641	11,942
Charge for the financial year	1,431	3,699
At 31 March	17,072	15,641
Carrying Amount		
At 31 March	11,568	12,999

(a) The following property, plant and equipment are charged against banking facilities (Note 21):-

	Th	e Group
	2021	2020
	RM	RM
Carrying Amount		
Leasehold buildings and improvements	3,303,340	3,368,732
Plant and machinery	1,576,264	1,721,928
	4,879,604	5,090,660

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

7. INVESTMENT PROPERTIES

	The	Group
	2021	2020
	RM	RM
At Cost		
At 1 April/ At 31 March	738,392	738,392
Less : Accumulated Depreciation		
At 1 April	115,284	100,504
Charge for the financial year	14,780	14,780
At 31 March	130,064	115,284
Carrying Amount		
At 31 March	608,328	623,108

(a) The fair value of the investment properties which made up to two shoplots units as at 31 March 2021 was approximately RM 960,000 (2020: RM 960,000) are within level 3 of the fair value hierarchy and are arrived at by reference to market evidence of transaction prices for similar properties. The most significant input into this valuation approach is the price per square feet of comparable properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

(b) The expenses incurred by the Group on investment property amounted to RM 18,407 (2020: RM 39,651) for the financial year.

(c) The investment properties are pledged as security for term loan granted to a subsidiary of the Company (Note 21).

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8. **RIGHT-OF-USE ASSETS**

The Group	Leasehold land and buildings RM	Factory RM	Plant and Machinery RM	Motor Vehicles RM	Total RM
At 1 April 2019					
- As previously reported	-	-	-	-	-
- Initial application of MFRS 16	2,439,796	2,119,123	541,121	155,853	5,255,893
- As restated	2,439,796	2,119,123	541,121	155,853	5,255,893
Additions	-	161,270	-	-	161,270
Charge for the financial year	(144,710)	(813,303)	(65,086)	(39,792)	(1,062,891)
Currency translation differences	-	(9,851)	-	-	(9,851)
Reclassification	-	-	369,739	-	369,739
At 31 March 2020/ At 1 April 2020	2,295,086	1,457,239	845,774	116,061	4,714,160
Additions	25,275,206	-	-	130,979	25,406,185
Modification of lease liability	-	1,694,259	-	-	1,694,259
Charge for the financial year	(233,707)	(866,176)	(206,155)	(59,439)	(1,365,477)
Currency translation differences	-	(14,181)	-	-	(14,181)
Reassessment of lease	-	(11,700)	-	-	(11,700)
Reclassification	-	-	2,075,741	-	2,075,741
At 31 March 2021	27,336,585	2,259,441	2,715,360	187,601	32,498,987

(a) The Group leases certain pieces of leasehold land and buildings, factory, plant and machinery and motor vehicles of which the leasing activities are summarised below:-

(i)	Leasehold land and buildings	The Group has entered into non-cancellable operating lease agreement for the use of land and leasehold buildings. The leases are for a period of 2 to 60 years with no renewal or purchase option included in the agreements. The leases do not allow the Group to assign, transfer or sublease or dispose of the whole or any part of the land.
(ii)	Factory	The Group has leased certain factories for a lease terms range from 2 to 3 years, with an option to renew the lease after that date.
(iii)	Plant and machinery	The Group has leased its plant and machinery under hire purchase arrangements. The leases are secured by the leased assets. The Company has an option to purchase the asset at the expiry of the lease period at an insignificant amount.
(iv)	Motor vehicles	The Group has leased its motor vehicles under hire purchase arrangements. The leases are secured by the leased assets. The Company has an option to purchase the assets at the expiry of the lease period at an insignificant amount.

(b) 2 pieces of leasehold land and a leasehold building of the Group with carrying amount of RM 27,127,841 (2020: RM 1,981,224) is charged against banking facilities (Note 21).

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9. GOODWILL

	Tr	The Group		
	2021	2020		
	RM	RM		
At Cost				
At 1 April/At 31 March	13,567,631	13,567,631		
Less : Accumulated Impairment Losses				
At 1 April/At 31 March	2,912,000	2,912,000		
Carrying Amount				
At 31 March	10,655,631	10,655,631		

The goodwill arose from the Group's acquisition of subsidiaries in the precision machining and stamping operating segment.

The Group performs annual impairment test on goodwill by assessing the recoverable amount of the underlying cash generating units ("CGUs").

For the purpose of impairment testing, the goodwill was allocated to the CGUs within the Group which will benefit from the synergies arising from the goodwill. The goodwill was allocated to precision machining and stamping operating segment, which comprises two CGUs namely Oriental Fastech Manufacturing Sdn. Bhd. and Oriental Fastech Manufacturing (Vietnam) Co., Ltd..

The recoverable amount of the CGUs is determined based on value in use calculations. These calculations use pre-tax cash flows projections based on internally approved financial budgets covering 5 years (2020: 5 years) financial period. Cash flows were projected based on past experience and management's expectations of market development and future business performance. Beyond the 5 years (2020: 5 years) forecast period, a growth rate ranging from 4% - 20% (2020: 2% - 11%) per annum is used to extrapolate the cash flow projections.

Value in use was determined by discounting future cash flows expected to be generated from the continuing use of the CGUs and was based on the following key assumptions:

- (a) Revenue was projected at about RM 38,138,586 (2020: RM 42,683,860) in the first year of the business plan. The anticipated annual revenue growth included in the cash flow projections was between 4% and 20% (2020: 2% and 11%) for the financial years 2022 to 2026 (2020: 2021 to 2025) based on committed and estimated additional orders from both new and existing customers and historical growth experience.
- (b) Pre-tax discount rates of 10.56% (2020: 9.76%) per annum was applied in determining the recoverable amount of the CGUs. The discount rates were estimated based on industry weighted average cost of capital, and taken into consideration risk-free rate and market risk of the countries 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 sources and internal sources (historical data).

Based on management's assessment, no impairment loss was identified on the goodwill as at 31 March 2021 and 31 March 2020.

Sensitivity analysis has been performed around the base case assumptions with the conclusion that no reasonably possible changes in key assumptions would cause the recoverable amount to be less than the carrying amount.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

10. DEFERRED TAX ASSETS/(LIABILITIES)

The movements in deferred tax assets/(liabilities) during the financial year are as follows:

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
At 1 April	669,135	746,270	10,000	8,000
Charged/(Credited) to Profit or Loss (Note 31):-				
- Property, plant and equipment	82,993	(67,657	-	-
- Provision for slow moving inventories	(12,506)	(12,000)	-	-
- Provision for staff related expenses	(10,809)	(9,444)	-	-
- Accrued liabilities	(72,557)	28,867	(1,000)	2,000
- Unused tax losses	29,513	(6,861)	-	-
- Unbsorbed capital allowance	184,000	(184,000)	-	-
- Unrealised foreign currency exchange	(44,879)	22,027	-	-
	155,755	(93,754)	(1,000)	2,000
Currency translation differences	2,200	16,619	-	-
At 31 March	827,090	669,135	9,000	10,000

The deferred tax assets and liabilities as at the end of the reporting period are as follows:-

	The	e Group	The C	ompany
	2021	2020	2021	2020
	RM	RM	RM	RM
Deferred Tax Assets				
Deferred tax assets (before offsetting):-				
- Unused tax losses	739,260	736,977	-	-
- Unabsorbed capital allowance	-	184,000	-	-
- Unrealised foreign currency exchange	39,879	116,352	-	-
- Accrued liabilities	116,557	44,613	9,000	10,000
- Property, plant and equipment	(102,000)	33,000	-	-
- Provision for slow moving inventories	44,600	26,400	-	-
- Provision for staff related expenses	129,475	381	-	-
	967,771	1,141,723	9,000	10,000
Offsetting	(561,211)	(615,902)	-	-
Deferred tax assets (after offsetting)	406,560	525,821	9,000	10,000

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

The deferred tax assets and liabilities as at the end of the reporting period are as follows (Cont'd):-

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Deferred Tax Liabilities				
Deferred tax liabilities (before offsetting):-				
- Property, plant and equipment	(1,748,598)	(1,800,858)	-	-
- Provision for slow moving inventories	(5,694)	-	-	-
- Unused tax losses	(34,000)	-	-	-
- Unrealised foreign currency exchange	(6,569)	(10,000)	-	-
	(1,794,861)	(1,810,858)	-	-
Offsetting	561,211	615,902	-	-
Deferred tax liabilities (after offsetting)	(1,233,650)	(1,194,956)	-	-

The Group has, subject to confirmation by the Inland Revenue Board of Malaysia, the following unused tax losses carried forward (which have no expiry date) for which no deferred tax assets have been recognised in the statements of financial position as management are of the view that it is not probable that future taxable profits will be available against which the unused tax losses can be realised, as these tax benefits were attributable to loss making subsidiaries.

	Th	e Group
	2021	2020
	RM	RM
Unused tax losses	2,999,027	3,317,627
Unabsorbed capital allowances	7,133	7,133

For the Malaysia entities, the unused tax losses are allowed to be utilised for 7 consecutive years of assessment while unabsorbed capital allowances are allowed to be carried forward indefinitely.

The use of tax losses of subsidiaries in other countries is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the subsidiaries operate.

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11. INVENTORIES

	Th	e Group
	2021	2020
	RM	RM
Raw materials	3,672,183	3,696,203
Goods-in-transit	712,406	42,876
Work-in-progress	1,843,124	2,155,845
Finished goods	2,943,259	4,172,860
Consumable tools	1,224,706	1,340,753
	10,395,678	11,408,537
Decempieed in Drofft or Lees		
Recognised in Profit or Loss		
Inventories recognised as cost of sales	51,260,528	57,806,635
Inventories written down	197,367	275,885
Reversal of inventories previously written down	(141,922)	-

The carrying amount of inventories pledged as security for borrowings and bank overdraft granted to a subsidiary is RM 4,042,521 (2020: RM 3,777,886) (Note 21 and Note 26).

12. TRADE RECEIVABLES

	Th	ne Group
	2021	2020
	RM	RM
Trade receivables	10,975,355	10,484,182
Less: Allowance for impairment losses	-	-
	10,975,355	10,484,182
Allowance for Impairment Losses		
At 1 April	-	143,991
Additions	-	2,264
Reversal	-	(151,982)
Currency translation differences	-	5,727
At 31 March	-	-

(a) The Group's normal credit terms are cash term to 90 days (2020: 14 to 90 days) from the date of invoice.

(b) The carrying amount of trade receivables pledged as security for bank overdraft granted to a subsidiary is RM 178,967 (2020: RM 115,020) (Note 21).

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13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Th	e Group	The C	ompany
	2021	2021 2020	2021	2020
	RM	RM	RM	RM
Non-current				
Prepayments	32,403	8,341	-	-
Deposits	246,148	240,611	-	-
	278,551	248,952	-	-
Current				
Advances to suppliers	94,156	201,102	-	-
Goods and services tax recoverable	6,276	7,266	-	-
Deposits	1,628,153	3,376,351	-	-
Prepayments	532,137	431,891	15,330	15,330
Sundry receivables	353,838	206,252	-	-
	2,614,560	4,222,862	15,330	15,330

Included in deposits of the Group are an amount of RM 947,151 (2020: RM 2,402,987) for the aggregate cost of renewal of 60 years lease term for the leasehold land known as K27, Jalan Perindustrian, Kawasan Perindustrian Tanjung Agas and purchase of leasehold land together with the building erected thereon known as Plot 300 at Penang Science Park.

14. AMOUNT OWING BY/(TO) SUBSIDIARIES

	The	Company
	2021	2020
	RM	RM
Amount Owing By Subsidiaries		
Non-current		
Non-trade balances	4,254,549	1,163,160
Current		
Trade balances	92,510	120,252
Non-trade balances	4,171,178	6,861,573
Less: Allowance for impairment losses	(3,887,768)	(3,887,768)
	375,920	3,094,057

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

14. AMOUNT OWING BY/(TO) SUBSIDIARIES (CONT'D)

	The	Company
	2021	2020
	RM	RM
Allowance for Impairment Losses		
At 1 April	3,887,768	696,300
Additions		3,191,468
At 31 March	3,887,768	3,887,768

Amount Owing (To) Subsidiaries

Current

(1,236,441) (1,461,872)

- (a) The trade balances owing by/(to) subsidiaries are unsecured, interest free and have credit term of 30 days (2020: 30 days) from the date of invoice.
- (b) The non-trade advances owing by/(to) subsidiaries are unsecured, interest free and have no fixed term of repayment.
- (c) Loan granted to Edaran Precision India Private Limited is unsecured, subject to a floating interest rate equal to the aggregate of 6 months LIBOR + 3.5% (2020: LIBOR + 3.5%) per annum and repayable by 20 quarterly instalments effective May 2015.
- (d) As at 31 March 2020, additional loan granted to Edaran Precision India Private Limited of RM 410,174 which is unsecured, subject to a floating interest rate equal to the aggregate of 6 months LIBOR + 4.5% per annum and repayable by 30 quarterly instalments, effective from July 2020.
- (e) During the financial year, the Company entered into a loan agreement with subsidiary, Oriental Fastech Manufacturing Sdn. Bhd. of RM 2.9 million which is unsecured, subject to a floating interest rate equal to 2.5% per annum and repayable by 120 monthly instalments, effective from 1 April 2021. The drawdown of loan released during current financial year is RM 1.6 million.
- (f) As at 31 March 2020, the Company has carried out a review of the recoverable amounts of its amount owing by subsidiaries that had been persistently making losses. A total impairment loss of RM 3,191,468, representing the impairment loss of amount owing by subsidiaries, was recognised in "Net Impairment Gain/(Loss) on Financial Assets" line item of the statements of profit or loss and other comprehensive income.
- (g) The other non-trade amounts owing to subsidiaries are unsecured, interest free and repayable on demand.

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15. AMOUNT OWING BY/(TO) RELATED PARTIES

	The	Group
	2021	2020
	RM	RM
Amount Owing By Related Parties		
Current		
Trade balance	46,219	175
Amount Owing (To) Related Parties		
Current		
Trade balances	(18,885)	(36,030)
Non-trade balances	(132,000)	(198,000)
	(150,885)	(234,030)

(a) The trade balances are unsecured, interest free and have credit term of 30 days (2020: 30 days) from the date of invoice.

(b) The non-trade balances are unsecured, interest free and repayment on demand.

16. SHORT-TERM INVESTMENT

	The	e Group
	2021	2020
	RM	RM
Money market fund, at fair value	2,933,669	808,305

The money market funds represent investments in highly liquid money market instruments and deposits with financial institution in Malaysia which are redeemable with one (1) day notice at known amounts of cash, and are subject to an insignificant risk of changes in value.

17. FIXED DEPOSITS WITH LICENSED BANKS

- (a) The fixed deposits with licensed banks of the Group at the end of the reporting period bear effective interest rates at 4.2% (2020: 4.2%) per annum and have maturity periods of 365 days (2020: 30 to 365 days).
- (b) Included in fixed deposits with licensed banks of the Group is an amount of RM 189,225 (2020: RM 192,379) pledged as securities for credit facilities granted to a subsidiary company (Note 21).

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18. SHARE CAPITAL

The Group and The Company			
202	21	2020	
Number of		Number of	
shares	RM	shares	RM
241,994,985	35,116,236	241,994,985	35,116,236
3,100,200	576,070	-	-
245,095,185	35,692,306	241,994,985	35,116,236
	203 Number of shares 241,994,985 3,100,200	2021 Number of shares RM 241,994,985 35,116,236 3,100,200 576,070	2021 202 Number of shares Number of shares 241,994,985 35,116,236 241,994,985 3,100,200 576,070 -

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

19. TREASURY SHARES

- (a) During the financial year, the Company has resold 2,428,800 of its issued ordinary shares to the open market at an average price of RM 0.22, RM 0.26 and RM 0.34 per share in month of August 2020, January 2021 and February 2021 respectively. The total consideration received from the resale was RM 688,612 including transaction costs.
- (b) As at 31 March 2020, the Company has purchased 1,370,000 of its issued ordinary shares from the open market at an average price of RM 0.14 and RM 0.11 per share in month of June 2019 and March 2020. The total consideration paid for the purchase was RM 180,656 including transactions costs. The ordinary shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity. Of the total 241,994,985 issued and fully paid-up ordinary shares at the end of the reporting period, 2,428,800 ordinary shares are held as treasury shares by the Company. None of the treasury shares were resold during the financial year.

20. RESERVES

Tł	The Group		Company
2021	2020	2021	2020
RM	RM	RM	RM
650,468	558,965	-	-
532,675	-	532,675	-
25,070,058	22,922,447	12,763,542	11,367,135
26,253,201	23,481,412	13,296,217	11,367,135
	2021 RM 650,468 532,675 25,070,058	2021 RM 2020 RM 650,468 558,965 532,675 - 25,070,058 22,922,447	2021 RM2020 RM2021 RM650,468 532,675558,965 532,675- 532,67525,070,05822,922,44712,763,542

(a) Foreign exchange translation reserve

Exchange translation reserve comprises foreign currency differences arising on retranslation of the net investments in foreign operations.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

20. RESERVES (CONT'D)

(b) Employees' share option reserve

The employees' share option 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.

The Employees' Share Option Scheme ("ESOS") of the Company is govern 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.

The option prices and the details in the movement of the options granted are as follows:-

			Numbe	er of Options o	ver Ordinary S	hares
	Exercise Price RM	Remaining Contractual Life of Options RM	At 1 April RM	Granted RM	Exercised RM	At 31 March RM
Date of offer						
5 August 2020	0.125	5 years	-	26,766,000	(3,100,200)	23,665,800

No person to whom the shares option has been granted above has any right to participate by virtue of the option in any share issue of the any other company.

During the financial year, the Company has granted 26,766,000 (2020: Nil) share options under the ESOS. These options expire on 28 February 2026. The fair value of the share options measured at offer date (5 August 2020) which is RM 0.06.

The fair values of the share options granted were estimated using a black scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The fair values of the share options measured at grant date and the assumptions used are as follows:-

	The Group and The Company		
	2021 RM	2020 RM	
Fair value of share options at the grant date based on vesting date (RM)			
- 5 August 2020	0.06	-	
Weighted average ordinary share price (RM)	0.14	-	
Exercise price of share option (RM)	0.13	-	
Expected volatility (%)	57.73	-	
Expected life (years)	5	-	
Risk free rate (%)	1.74	-	

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

20. RESERVES (CONT'D)

(c) Retained profits

Retained profits include past earnings of consolidated companies where these were not distributed, and the consolidated annual net profit, net of the share attributable to non-controlling interests.

Dividends paid out of retained profits of the Group and of the Company are single-tier dividends which are tax exempt in the hands of shareholders.

21. BORROWINGS

	Th	e Group
	2021 RM	2020 RM
Non-current		
Secured - Term loans	21,676,109	1,671,880
Current		
Secured - Term loans	2,181,875	2,861,974
- Bankers' acceptance	2,064,000	1,860,000
	4,245,875	4,721,974
	25,921,984	6,393,854
Total Borrowings		
Secured - Term loans	23,857,984	4,533,854
- Bankers' acceptance	2,064,000	1,860,000
	25,921,984	6,393,854

Borrowings

- (a) The borrowings are secured by the following:-
 - (i) Legal charges over certain subsidiaries' property, plant and equipment, investment properties and right-of-use assets as disclosed in Notes 6, 7 and 8 respectively;
 - (ii) Inventories of a subsidiary as disclosed in Note 11;
 - (iii) Trade receivables of a subsidiary as disclosed in Note 12;
 - (iv) Fixed deposits with a licensed banks of one of the subsidiary of the Company as disclosed in Note 17; and
 - (v) Corporate guarantee provided by the Company.
- (b) The interest rate (per annum) profile of the borrowings are summarised below:-

	The	Group
	2021	2020
	%	%
Term loans	3.3 - 9.1	4.1 - 9.1
Bankers' acceptance	2.5 - 2.6	3.3 - 3.8

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22. LEASE LIABILITIES

	Th	e Group
	2021	2020
	RM	RM
At 1 April		
- As previously reported	2,007,946	-
- Initial application of MFRS 16	-	2,485,585
- As restated	2,007,946	2,485,585
Additions of new lease	1,046,959	161,270
Changes due to lease modification	1,694,259	-
Changes due to lease reassessment	(11,700)	-
Refinance	448,000	330,000
Interest expense recognised in profit or loss (Note 30)	161,656	197,656
Repayment of principal	(1,110,115)	(959,819)
Repayment of interest expense	(161,656)	(197,656)
Currency translation differences	(13,862)	(9,090)
At 31 March	4,061,487	2,007,946
Analysed by:-		
Non-current liabilities	2,948,929	949,327
Current liabilities	1,112,558	1,058,619
	4,061,487	2,007,946

Certain lease liabilities of the Group are secured by the Group's plant and machinery and motor vehicles under the hire purchase arrangements as disclosed in Note 8(a)(iii) and 8(a)(iv) to the financial statements, with lease terms ranging from 1 to 5 years (2020: 1 to 5 years) and bear effective interest rates ranging from 4.7% - 5.7% (2020: 4.7% - 5.7%) per annum.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

23. DEFERRED INCOME ON GOVERNMENT GRANTS

	The Group		
	2021	2020	
	RM	RM	
At 1 April	618,062	683,853	
Government grant received during the financial year	500,000	-	
Amortisation during the financial year	(71,708)	(65,791)	
At 31 March	1,046,354	618,062	

- (a) Oriental Fastech Manufacturing Sdn. Bhd., wholly owned subsidiary of the Group, received a government grant of RM400,000 in financial year ended 31 December 2013 for qualifying research and development projects.
- (b) Edaran Precision Industries Sdn. Bhd., wholly owned subsidiary of the Group, received a government grant of RM 476,750 and RM 500,000 in financial year ended 31 March 2019 and 31 March 2021 respectively for modenisation and upgrading of property, plant and equipment for the production of micro moulds and development of production capability.
- (c) The grants are being amortised over the useful life of the related property, plant and equipment. The amortisations during the financial year were included in 'other operating income' in profit or loss.

24. TRADE PAYABLES

The normal credit terms granted to the Group range from 30 to 90 days (2020: 30 to 90 days) from the date of invoice.

25. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Accruals	3,331,188	3,181,800	68,944	75,500
Deposits from customers	468,343	464,593	-	-
Sales tax payables	57,200	101,481	-	-
Sundry payables	1,004,371	1,872,448	22,943	194,883
	4,861,102	5,620,322	91,887	270,383

(a) The sundry payables are unsecured, interest free and have credit terms ranging from 30 to 90 days (2020: 30 to 90 days) from the date of invoice.

(b) Included in sundry payables of the Group are an amount of RM 288,300 (2020: RM 1,657,457) payable for the purchase of property, plant and equipment (Note 33(a)).



FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

26. BANK OVERDRAFTS

The bank overdrafts of the Group at the end of the reporting period bear interest rates ranging from 5.5% - 6.0% (2019: 6.2% - 10.5%) per annum. Securities of the bank overdrafts are disclosed in Note 21 to the financial statements.

27. REVENUE

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Revenue recognised at a point in time				
Precision machining and stamping	36,212,065	42,131,202	-	-
Plastic components	13,897,831	11,747,559	-	-
High precision moulds, tools and dies	9,322,413	8,392,452	-	-
Others	3,697,285	5,462,595	-	-
Dividend income	-	-	1,000,000	2,712,000
Management fee income	-	-	722,510	754,555
	63,129,594	67,733,808	1,722,510	3,466,555

The information on the disaggregation of revenue is disclosed in Note 36 to the financial statements.

28. EMPLOYEE BENEFIT COSTS

	Tł	The Group		Company
	2021	2020	2021	2020
	RM	RM	RM	RM
Wages, salaries and bonus	15,556,426	17,719,829	16,000	20,000
Defined contribution benefits	1,127,357	1,719,095	-	-
Other employee benefits	1,671,603	868,005	89,951	91,265
Director's fee	261,219	182,000	173,219	182,000
	18,616,605	20,488,929	279,170	293,265

Included in employee benefits costs of the Group and of the Company are key management personnel compensation as disclosed in Note 34 to the financial statements.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

29. NET IMPAIRMENT GAIN/(LOSS) ON FINANCIAL ASSETS

	The Group		The	Company			
	2021	2020	2021	2020			
	RM	RM	RM	RM	RM	RM	RM
Impairment losses:-							
- trade receivables	-	(2,264)	-	-			
- amount owing by subsidiaries	-	-	-	(3,191,468)			
Reversal of impairment losses:-							
- trade receivables	-	151,982	-	-			
	-	149,718	-	(3,191,468)			

30. PROFIT/(LOSS) BEFORE TAX

	Th	e Group	The C	The Company	
	2021	2020	2021	2020	
	RM	RM	RM	RM	
Profit/(Loss) Before Tax is Arrived at After Charging:-					
Auditors' remuneration					
- audit fees	200,298	160,680	30,000	30,000	
- other services	2,500	2,500	2,500	2,500	
Depreciation of property, plant and equipment	3,656,928	3,904,984	1,431	3.699	
Depreciation of investment properties	14,780	14,780	-	-	
Depreciation of right-of-use assets	1,365,477	1,062,891	-	-	
Finance cost:-					
- bankers' acceptances	61,641	80,878	-	-	
- bank overdraft	44,250	126,374	-	-	
- term loans	217,192	205,298	-	4,523	
- hire purchase payables	-	1,865	-	-	
- lease liabilities	161,656	197,656	-	-	
Impairment loss on investment in a subsidiary	-	-	-	291,742	

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

	The Group		The	Company
	2021	2020	2021	2020
	RM	RM	RM	RM
Profit/(Loss) Before Tax is Arrived at After Charging (C	cont'd):-			
Inventories written down	197,367	275,885	-	-
Loss on foreign exchange:-				
- realised	141,831	17,713	6,546	-
- unrealised	480,122	-	41,783	-
Property, plant and equipment written off	8	5	-	-
Short-term lease expenses	113,808	106,471	-	-
Share option to employees	31,796	-	31,796	-
And Crediting:-				
Dividend income	(25,364)	(10,966)	(1,000,000)	(2,712,000)
Gain on disposal of property, plant and equipment	(12,817)	-	-	-
Gain on foreign exchange:-				
- realised	-	-	-	(7,104)
- unrealised	-	(263,593)	-	(53,724)
Amortisation of deferred income on government grants	(71,708)	(65,791)	-	-
Interest income	(84,922)	(53,236)	(61,822)	(70,239)
Rental income	(98,892)	(10,800)	-	-
Reversal of inventories previously written down	(141,922)	-	-	-

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31. INCOME TAX EXPENSE

	The Group		The Company	
	2021	2021 2020	2021	2020
	RM	RM	RM	RM
Current tax:-				
- Malaysian tax	717,329	341,309	93,252	102,382
- foreign tax	105,914	210,448	-	-
	823,243	551,757	93,252	102,382
- (over)/under provision in previous financial year	(189,292)	129,116	(3,162)	(412)
	633,951	680,873	90,090	101,970
Deferred tax (Note 10):-				
- origination and reversal of temporary differences	159,755	(42,754)	1,000	(2,000)
- overprovision in previous financial year	(4,000)	(51,000)	-	-
	155,755	(93,754)	1,000	(2,000)
	789,706	587,119	91,090	99,970

A reconciliation of income tax expense applicable to the profit/(loss) before tax at the statutory tax rate to income tax expense at the effective rate of the Group and the Company are as follows:-

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Profit/(Loss) before tax	3,129,050	1,032,826	1,125,659	(750,025)
Tax at statutory income tax rate of 24% (2020: 24%) Tax effect of:-	750,972	247,878	271,000	(180,000)
Different tax rates in other countries	(19,764)	(44,465)	-	-
Income not subject to tax:-				
- dividend income	-	-	(240,000)	(651,000)
- amortisation of deferred income on government grants	(17,210)	(15,790)	-	-
- others	(23,247)	(27,885)	-	-
Expenses not deductible for tax purposes	339,426	242,914	63,252	931,382
Current year tax losses not recognised as deferred tax assets	2,025	106,351	-	-
(Over)/underprovision of current tax in previous financial year	(189,292)	129,116	(3,162)	(412)
Overprovision of deferred tax in previous financial year	(4,000)	(51,000)	-	-
Utilisation of unabsorbed losses	(49,204)	-	-	-
Income tax expense for the financial year	789,706	587,119	91,090	99,970

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32. EARNINGS PER SHARE

(b)

(a) Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the 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, excluding treasury shares held by the Company.

	The Group	
	2021	2020
	RM	RM
Profit after tax for the financial year attributable to owners of the Company	2,196,891	610,366
Weighted average number of ordinary shares in issue	242,198,834	241,026,184
Basic earnings per ordinary share (sen)	0.91	0.25
Diluted earnings per share		
	т	he Group
	2021	2020
	RM	RM
Profit after tax for the financial year attributable to owners of the Company	2,196,891	610,366
Weighted average number of ordinary shares in issue	242,198,834	241,026,184
Shares deemed to be issued for no consideration:-		
Employees' share options in issues	5,779,441	-
	247,978,275	241,026,184
Basic earnings per ordinary share (sen)	0.89	0.25

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33. CASH FLOW INFORMATION

The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets are as (a) follows:-

Property, plant and equipment

	The Group		The C	The Company	
	2021	2021 2020	2021	2020	
	RM	RM	RM	RM	
Cost of property, plant and equipment purchased	2,378,552	3,196,678	-	14,310	
Unpaid balance included in sundry payables (Note 25)	(288,300)	(1,657,457)	-	-	
Cash paid in respect of acquisition in previous financial year	507,665	242,660	-	-	
Cash disbursed for purchase of property, plant and equipment	2,597,917	1,781,881	-	14,310	

Right-of-use assets

	The Group	
	2021	2020
	RM	RM
Cost of right-of-use assets acquired (Note 8)	25,406,185	161,270
Carrying amount of right-of-use assets reclassed from property, plant and equipment	1,417,702	-
Additions of new lease liabilities (Note 22)	(1,046,959)	(161,270)
Finance via term loan	(20,000,000)	-
Deposit made in previous year (Note 13)	(2,402,987)	-
Cash paid in respect of acquisition in previous financial year	1,138,239	-
Carrying amount of property, plant and equipment in previous financial year	(1,429,255)	-
Cash disbursed for addition of right-of-use assets	3,082,925	-

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33. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Term Loans RM	Bankers' Acceptance RM	Lease Liabilities RM	Total RM
2021				
At 1 April	4,533,854	1,860,000	2,007,946	8,401,800
Changes in Financing Cash Flows				
Proceeds from drawdown	24,926,040	6,103,464	-	31,029,504
Repayment of borrowing principal	(5,556,647)	(5,899,464)	(1,110,115)	(12,566,226)
Repayment of borrowing interests	(217,192)	(61,641)	(161,656)	(440,489)
	19,152,201	142,359	(1,271,771)	18,022,789
Non-cash Changes				
Additions of new leases	-	-	1,046,959	1,046,959
Changes due to lease modification	-	-	1,694,259	1,694,259
Changes due to lease reassessment	-	-	(11,700)	(11,700)
Refinance	-	-	448,000	448,000
Finance charges recognised in profit or loss	217,192	61,641	161,656	440,489
Foreign exchange adjustments	(45,263)	-	(13,862)	(59,125)
	171,929	61,641	3,325,312	3,558,882
At 31 March	23,857,984	2,064,000	4,061,487	29,983,471

The Group	Term Loans RM	Bankers' Acceptance RM	Hire Purchase Payables RM	Lease Liabilities RM	Total RM
2020					
At 1 April, as previously reported	4,283,265	2,443,000	558,837	_	7,285,102
Effects on adoption of MFRS 16	-,200,200	2,440,000	(417,718)	2,485,585	2,067,867
At 1 April, as restated	4,283,265	2,443,000	141,119	2,485,585	9,352,969
	1,200,200	2,110,000	111,110	2,100,000	0,002,000
Changes in Financing Cash Flows					
Proceeds from drawdown	4,569,087	8,120,000	-	-	12,689,087
Repayment of borrowing principal	(4,412,207)	(8,703,000)	(141,119)	(959,819)	(14,216,145)
Repayment of borrowing interests	(205,298)	(80,878)	(1,865)	(197,656)	(485,697)
	(48,418)	(663,878)	(142,984)	(1,157,475)	(2,012,755)
Non-cash Changes					
Additions of new leases	-	-	-	161,270	161,270
Refinance	-	-	-	330,000	330,000
Finance charges recognised in					
profit or loss	205,298	80,878	1,865	197,656	485,697
Foreign exchange adjustments	93,709	-	-	(9,090)	84,619
	299,007	80,878	1,865	679,836	1,061,586
At 31 March	4,533,854	1,860,000	-	2,007,946	8,401,800

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

33. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Term Loan
2021	2020
RM	RM
-	579,593
-	(579,593)
-	(4,523)
-	(584,116)
-	4,523
-	-

(c) The total cash outflows for leases as a lessee are as follows:-

	Th	The Group		
	2021	2020		
	RM	RM		
Payment of short-term leases	(113,808)	(106,471)		
Interest paid on lease liabilities	(161,656)	(197,656)		
Payment of lease liabilities	(1,110,115)	(959,819)		
	(1,385,579)	(1,263,946)		

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2021	2021 2020	2021	2020
	RM	RM	RM	RM
Fixed deposits with licensed banks	189,225	192,379	-	-
Cash and bank balances	7,823,476	6,615,311	1,295,974	104,050
Short-term investment	2,933,669	808,305	-	-
Bank overdrafts	(522,294)	(732,662)	-	-
	10,424,076	6,883,333	1,295,974	104,050
Less: Fixed deposits with licensed banks pledged as securities	(189,225)	(192,379)	-	-
	10,234,851	6,690,954	1,295,974	104,050

Bank balances of the Group and of the Company amounted to RM 3,164,137 (2020: RM 2,609,107) and RM 1,280,023 (2020: RM 99,478) respectively, earn interest at an effective interest rate ranging from 0.3% - 1.3% (2020: 1.1% - 1.8%) per annum and 0.3% - 1.3% (2020: 1.1% - 1.8%) per annum, respectively as at the reporting date.



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34. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include Executive Directors and Non-Executive Directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

		The Group		The Company	
		2021	2020	2021	2020
		RM	RM	RM	RM
(a)	Directors				
. ,	Directors of the Company				
	Executive Directors:-				
	Fees	44,000	-	-	-
	Salaries, allowances and bonus	1,761,829	1,457,652	5,000	6,000
	Defined contribution benefits	180,958	162,935	-	-
	Other employee benefits	128,455	86,646	84,800	84,800
		2,115,242	1,707,233	89,800	90,800
	Non-executive Directors:-				
	Fees	173,219	182,000	173,219	182,000
	Other emoluments	11,000	14,000	11,000	14,000
		184,219	196,000	184,219	196,000
	Directors of the Subsidiaries				
	Executive Directors:-				
	Fees	44,000	-	-	-
	Salaries, allowances and bonus	335,971	489,269	-	-
	Defined contribution benefits	39,964	43,190	-	-
	Other employee benefits	42,949	1,231	-	-
		462,884	533,690	-	-
	Total directors remuneration	2,762,345	2,436,923	274,019	286,800
	Estimated monetary value of benefits-in-kind		6,928	-	-
(b)	Other key management personnel				
	Salaries, allowances and bonus	261,865	81,820	-	-
	Defined contribution benefits	28,944	8,760	-	-
	Other employee benefits	45,508	385	-	-
	Total compensation for key management personnel	336,317	90,965	-	-

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35. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Significant Related Party Transaction and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Subsidiaries				
Dividend income	-	_	(1,000,000)	(2,712,000)
Management fee income			(1,000,000)	(754,555)
Interest income			(59,766)	(754,333)
	-	-		
Loan granted	-	-	1,600,000	410,174
Interest income received arising from cash sweeping arrangement	-	-	(11,511)	(23,898)
Other related parties				
Sales of goods	(244,929)	(318,100)	-	-
Purchase of goods	346,403	714,110	-	-
Other purchase	1,560	10,149	-	-

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

(c) Compensation of Key Management Personnel

Key management personnel includes the Group's and the Company's directors and are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. Details of the compensation for these key management personnel are disclosed in Note 34 to the financial statements.

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36. OPERATING SEGMENTS

The Group's Executive Board (chief operating decision maker) monitors the operating results of each reportable segment for the purpose of resource allocation and performance assessment. Segment performance is measured based on segment profit or loss before tax, interest, depreciation and amortisation.

The Group is organised and managed into the 2 main reportable segments as follows:-

(a)	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.

(b) 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.

The other segment is involved in the manufacture and assembly of electronic components and manufacture of paper honeycomb products.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

Segment assets

The amounts provided to the Group's Executive Board with respect to total assets are based on all assets allocated to each reportable segment other than deferred tax assets and current tax assets.

Segment liabilities

The amounts provided to the Group's Executive Board with respect to total liabilities are based on all liabilities allocated to each reportable segment other than deferred tax liabilities and current tax liabilities.

Capital expenditure

Capital expenditure comprises mainly additions to property, plant and equipment directly attributable to the segment.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

36. OPERATING SEGMENTS (CONT'D)

36.1 Segment Information

2021	Precision Engineering and Plastic Injection Moulding RM	Precision Machining and Stamping RM	Others RM	Total RM
Revenue				
- total segment	25,868,166	36,259,007	3,697,809	65,824,982
- inter-segment	(2,627,577)	(67,287)	(524)	(2,695,388)
Revenue from external customers	23,240,589	36,191,720	3,697,285	63,129,594
Segment profits	4,297,574	3,358,414	947,835	8,603,823
Segment assets	34,920,024	68,892,113	4,034,398	107,846,535
Segment liabilities	10,822,244	40,514,967	1,286,904	52,624,115
Other information:				
- capital expenditure	624,676	1,634,790	119,086	2,378,552
- depreciation and amortisation	2,273,722	2,288,036	475,427	5,037,185
 non-cash expenses (other than depreciation and amortisation) 	8	-	-	8
2020				
Revenue				
- total segment	27,325,425	42,269,701	5,463,380	75,058,506
- inter-segment	(7,185,414)	(138,499)	(785)	(7,324,698)
Revenue from external customers	20,140,011	42,131,202	5,462,595	67,733,808
Segment profits	2,092,654	3,556,309	732,032	6,380,995
Segment assets	34,955,661	46,768,197	3,519,282	85,243,140
Segment liabilities	11,702,377	19,292,488	1,254,328	32,249,193
Other information:				
- capital expenditure	1,718,408	1,125,773	352,497	3,196,678
- depreciation and amortisation	2,345,023	2,202,599	435,033	4,982,655
 non-cash expenses (other than depreciation and amortisation) 	5		-	5



FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

36. OPERATING SEGMENTS (CONT'D)

36.1 Segment Information (Cont'd)

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

	2021 BM	2020 RM
Profit or Loss		
Total profit for reportable segments	8,603,823	6,380,995
Finance costs	(484,739)	(612,071)
Interest income	84,922	53,236
Dividend income	25,364	10,966
Depreciation and amortisation	(5,037,185)	(4,982,655)
Unallocated corporate (expenses)	(657,242)	(573,823)
Elimination of inter-segment profit	594,107	756,178
	3,129,050	1,032,826
	Segment assets RM	Segment liabilities RM
At 31 March 2021 Total reportable segments	107,846,535	52,624,115
Other pen reportable cogment	1 222 972	01 997
	1,322,872	91,887
Elimination of inter-segment transactions or balances	(3,430,082)	
Elimination of inter-segment transactions or balances Current tax assets	(3,430,082) 591,495	
Other non-reportable segment Elimination of inter-segment transactions or balances Current tax assets Deferred tax assets Deferred tax liabilities	(3,430,082)	(10,258,937) - -
Elimination of inter-segment transactions or balances Current tax assets Deferred tax assets	(3,430,082) 591,495	
Elimination of inter-segment transactions or balances Current tax assets Deferred tax assets Deferred tax liabilities	(3,430,082) 591,495 406,560	(10,258,937) - - 1,233,650
Elimination of inter-segment transactions or balances Current tax assets Deferred tax assets Deferred tax liabilities At 31 March 2020	(3,430,082) 591,495 406,560	(10,258,937) - - 1,233,650 43,690,715
Elimination of inter-segment transactions or balances Current tax assets Deferred tax assets Deferred tax liabilities At 31 March 2020 Fotal reportable segments	(3,430,082) 591,495 406,560 - 106,737,380	(10,258,937) - - 1,233,650
Elimination of inter-segment transactions or balances Current tax assets Deferred tax assets Deferred tax liabilities At 31 March 2020 Total reportable segments Other non-reportable segment	(3,430,082) 591,495 406,560 - 106,737,380 85,243,140 132,379	(10,258,937) - 1,233,650 43,690,715 32,249,193 270,383
Elimination of inter-segment transactions or balances Current tax assets Deferred tax assets Deferred tax liabilities At 31 March 2020 Total reportable segments Dther non-reportable segment Elimination of inter-segment transactions or balances	(3,430,082) 591,495 406,560 - 106,737,380 85,243,140	(10,258,937) - 1,233,650 43,690,715 32,249,193 270,383
Elimination of inter-segment transactions or balances Current tax assets	(3,430,082) 591,495 406,560 - 106,737,380 85,243,140 132,379 (4,813,725)	(10,258,937) - 1,233,650 43,690,715 32,249,193 270,383
Elimination of inter-segment transactions or balances Current tax assets Deferred tax assets Deferred tax liabilities At 31 March 2020 Total reportable segments Other non-reportable segment Elimination of inter-segment transactions or balances Current tax assets	(3,430,082) 591,495 406,560 - 106,737,380 85,243,140 132,379 (4,813,725) 409,934	(10,258,937) - 1,233,650 43,690,715 32,249,193

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

36. OPERATING SEGMENTS (CONT'D)

36.2 Geographical Information

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

Non-current assets are determined according to the country where these assets are located which include property, plant and equipment, investment properties, prepaid lease rentals and right-of-use assets.

	202	21	20	20
	Revenue RM	Non-current assets RM	Revenue RM	Non-current assets RM
Europe	3,173,080	-	2,200,730	-
Malaysia	27,302,365	56,676,538	25,593,314	32,781,488
Vietnam	20,161,231	2,536,763	23,975,782	2,179,378
United States of America	7,446,286	126,840	11,752,918	147,365
Other countries	5,046,632	486,820	4,211,064	817,229
	63,129,594	59,826,961	67,733,808	35,925,460

37. CAPITAL COMMITMENTS

	The	Group
	2021	2020
	RM	RM
	00 500	000.045
Purchase of property, plant and equipment	92,500	328,045

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

38. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price 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.

38.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) Market Risk

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

(i) Foreign Currency Risk

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

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

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

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

- (a) Market Risk (Cont'd)
- (i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure

The Group	United States Dollar RM	Singapore Dollar RM	Vietnamese Dong RM	India Rupee RM	Others RM	Ringgit Malaysia RM	Total RM
2021							
Financial Assets							
Trade receivables	3,817,579	559,193	3,209,514	178,967	ŗ	3,210,102	10,975,355
Other receivables		'	232,049			121,789	353,838
Fixed deposits with licensed banks			189,225	ı	I	ı	189,225
Cash and bank balances	2,844,021	11,000	1,008,312	99,912	2,496	3,857,735	7,823,476
1	6,661,600	570,193	4,639,100	278,879	2,496	7,189,626	19,341,894
Financial Liabilities							
Trade payables	(1,423,091)	(475)	(2,983,163)	(17,360)	ı	(1,468,870)	(5,892,959)
Other payables and accruals	(150,393)		(370,747)	(213,752)	ı	(3,600,667)	(4,335,559)
Borrowings	ı	ı	(1,485,000)	(42,335)	ı	(24,916,943) (26,444,278)	(26,444,278)
Lease liabilities			(1,694,258)	(449,019)		(1,918,210)	(4,061,487)
	(1,573,484)	(475)	(6,533,168)	(722,466)		(31,904,690) (40,734,283)	(40,734,283)
Net Financial Assets/(Liabilities)	5,088,116	569,718	(1,894,068)	(443,587)	2,496	(24,715,064) (21,392,389)	(21,392,389)
Less: Net financial (assets)/ liabilities denominated in respective entities' functional	026/036		1 801 068	743 587		01 715 <u>06</u> 7	07 008 483
	(002,42)		1,034,000	440,007	1	400,017,42	21,020,400
Currency Exposure	5,063,880	569,718	'		2,496	'	5,636,094

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

- (a) Market Risk (Cont'd)
- (i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

	States Dollar RM	Singapore Dollar RM	Vietnamese Dong RM	India Rupee RM	Others RM	Ringgit Malaysia RM	Total RM
2020							
Financial Assets							
Trade receivables	4,576,104	64,369	4,165,426	115,020	·	1,563,263	10,484,182
Other receivables	·		37,657	·		168,595	206,252
Fixed deposits with licensed banks			192,379	·			192,379
Cash and bank balances	2,451,998	12,631	871,270	46,276		3,233,136	6,615,311
	7,028,102	77,000	5,266,732	161,296	-	4,964,994	17,498,124
Financial Liabilities							
Trade payables	(1,187,748)	(169)	(2,696,623)	(7,983)	(3,809)	(1,809,434)	(5,705,766)
Other payables and accruals	ı	(153,375)	(269,313)	(231,656)		(4,399,904)	(5,054,248)
Borrowings	(571,652)	ı	(2,122,800)	(2,912)	·	(4,429,152)	(7,126,516)
Lease liabilities			(591,543)	(464,821)	ı	(951,582)	(2,007,946)
	(1,759,400)	(153,544)	(5,680,279)	(707,372)	(3,809)	(3,809) (11,590,072) (19,894,476)	(19,894,476)
Net Financial Assets/(Liabilities)	5,268,702	(76,544)	(413,547)	(546,076)	(3,809)	(6,625,078)	(2,396,352)
Less: Net financial liabilities denominated in respective entities' functional currency	207,417	ı	415,698	546,076	ı	6,625,078	7,794,269
Currency Exposure	5,476,119	(76,544)	2,151		(3,809)	I	5,397,917

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

	United States Dollar	Ringgit Malaysia	Total
The Company	RM	RM	RM
2021			
Financial Assets			
Amount owing by subsidiaries	1,530,469	3,100,000	4,630,469
Cash and bank balances	12,244	1,283,730	1,295,974
	1,542,713	4,383,730	5,926,443
Financial Liabilities			
Amount owing to subsidiaries	(418,525)	(817,916)	(1,236,441)
	(418,525)	(817,916)	(1,236,441)
Net Financial Assets	1,124,188	3,565,814	4,690,002
Less: Net financial (assets) denominated in respective entities' functional currency		(3,565,814)	(3,565,814)
Currency Exposure	1,124,188	-	1,124,188
2020			
Financial Assets			
Amount owing by subsidiaries	1,616,917	2,640,300	4,257,217
Cash and bank balances	730	103,320	104,050
	1,617,647	2,743,620	4,361,267
Financial Liabilities			
Amount owing to subsidiaries	(431,800)	(1,030,072)	(1,461,872)
-	(431,800)	(1,030,072)	(1,461,872)
Net Financial Assets	1,185,847	1,713,548	2,899,395
Less: Net financial (assets) denominated in		, , -	, ,
respective entities' functional currency	-	(1,713,548)	(1,713,548)
Currency Exposure	1,185,847	-	1,185,847

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	The	Group	The C	ompany
	2021	2020	2021	2020
	RM	RM	RM	RM
Effects on Profit After Tax				
USD				
- strengthened by 5%	192,427	208,093	42,719	45,062
- weakened by 5%	(192,427)	(208,093)	(42,719)	(45,062)
SGD				
- strengthened by 5%	21,649	(2,909)	-	-
- weakened by 5%	(21,649)	2,909	-	-

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate borrowings and fixed deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined under MFRS 7 since neither their carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 21 and 26 to the financial statements.

Interest Rate Risk Sensitivity Analysis

Any reasonably possible change in the interest rates of floating rate term loans at the end of the reporting period does not have material impact on the profit after tax and other comprehensive income of the Group and of the Company and hence, no sensitivity analysis is presented.

(iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) 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.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 1 (2020: 1) trade receivables, the balances of each is equal to or more than 10% of total balances constituting approximately 26% (2020: 32%) of the Company'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:-

	2021		2020	
	RM	%	RM	%
By Country:				
Malaysia	4,894,505	44.4	3,682,439	35.1
United States of America	932,971	8.5	1,846,464	17.6
Vietnam	3,209,858	29.1	4,365,914	41.7
Other Countries	1,984,240	18.0	589,540	5.6
	11,021,574	100.0	10,484,357	100.0

(ii) 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 (c) below, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

(iii) Assessment of Impairment Losses

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 when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables

The Group

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

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

Also, the Group considers any receivables having financial difficulty or with significant balances outstanding for more than 90 days past due are deemed credit impaired and assesses for their risk of loss individually.

During the current financial year, the Group has changed its risk management practices in response to the Covid-19 pandemic. The expected loss rates are based on the payment profiles of sales over a period of 2 year from the measurement 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 customers to settle their debts.

The information about the exposure to credit risk and the loss allowance calculated under MFRS 9 for trade receivables is as follows:-

The Group	Gross Amount RM	Individual Impairment RM	Carrying Amount RM
2021			
Current (not past due)	5,307,897	-	5,307,897
1 to 30 days past due	4,786,573	-	4,786,573
31 to 60 days past due	590,212	-	590,212
61 to 90 days past due	207,528	-	207,528
More than 90 days past due	129,364	-	129,364
	11,021,574	-	11,021,574
2020			
Current (not past due)	8,294,474	-	8,294,474
1 to 30 days past due	1,395,918	-	1,395,918
31 to 60 days past due	570,332	-	570,332
61 to 90 days past due	163,078	-	163,078
More than 90 days past due	60,555	-	60,555
	10,484,357	-	10,484,357

The movements in the loss allowances in respect of trade receivables (including amount owing by related parties) are disclosed in Note 12 to the financial statements respectively.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

FINANCIAL INSTRUMENTS (CONT'D) 38.

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

The Company

The Company believes that no impairment allowance is necessary in respect of its trade receivables because they are subsidiaries with positive financial position.

Other Receivables, Subsidiaries and Related Parties

The Group applies the 3-stage general approach to measure expected credit losses for other receivables, subsidiaries and related parties. Under this approach, the Group assess whether there is a significant increase in credit risk on the receivables by comparing their risk of default as at the reporting date with the risk of default as at the date of initial recognition based on available reasonable and supportable forward-looking information.

The Group considers a receivable is credit impaired when the receivables is in significant financial difficulty, for instances, the receivable is in breach of financial covenants or insolvent. Receivables that are credit impaired are assessed individually while other receivables are assessed on a collective basis.

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

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

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.

Liquidity Risk (c)

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Weighted Average Effective Annual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1-5 Years RM	Over 5 Years RM
2021						
Non-derivative Financial Liabilities						
Trade payables		5,892,959	5,892,959	5,892,959	ı	ı
Other payables and accruals	ı	4,335,559	4,335,559	4,335,559	I	ı
Amount owing to related parties	ı	150,885	150,885	150,885	ı	ı
Bank overdrafts	5.5 - 5.6	522,294	522,294	522,294	I	ı
Borrowings:-						
- Term loans	3.3 - 4.4	23,857,984	35,157,226	2,659,038	6,530,695	25,967,493
- Bankers' acceptance	2.5 - 2.6	2,064,000	2,064,000	2,064,000	ı	1
Lease liabilities	3.3 - 15.8	4,061,487	4,464,321	1,300,566	2,068,290	1,095,465
		40,885,168	52,587,244	16,925,301	8,598,985	27,062,958

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The Group	Weighted Average Effective Annual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1-5 Years RM	Over 5 Years RM
2020						
Non-derivative Financial Liabilities						
Trade payables	ı	5,705,766	5,705,766	5,705,766	ı	ı
Other payables and accruals	ı	5,054,248	5,054,248	5,054,248	ı	ı
Amount owing to related parties	ı	234,030	234,030	234,030	·	ı
Bank overdrafts	6.2 - 10.5	732,662	732,662	732,662	ı	I
Borrowings:-						
- Term loans	4.1 - 9.1	4,533,854	4,835,622	2,949,385	1,121,691	764,546
- Bankers' acceptance	3.3 - 3.8	1,860,000	1,860,000	1,860,000	ı	ı
Lease liabilities	4.7 - 5.7	2,007,946	2,341,069	1,198,122	803,351	339,596
		20,128,506	20,763,397	17,734,213	1,925,042	1,104,142

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

(CONT'D)	
INSTRUMENTS	
FINANCIAL	
38.	

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

Liquidity Risk (Cont'd) (c)

Maturity Analysis (Cont'd)					
The Company	Weighted Average Effective Annual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1-5 Years RM
2021					
Non-derivative Financial Liabilities					
Other payables and accruals	ı	91,887	91,887	91,887	
Amount owing to subsidiaries	ı	1,236,441	1,236,441	1,236,441	·
Financial guarantee contracts in relation to corporate					

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

NOR-DELIVATIVE FINALICIAL FLADIILLES				
Other payables and accruals		91,887	91,887	91,887
Amount owing to subsidiaries	,	1,236,441	1,236,441	1,236,441
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries*		ı	4,916,943	4,916,943
		1,328,328	6,245,271 6,245,271	6,245,271
2020				

270,383 1,461,872 2,044,185 3,776,440 270,383 3,776,440 1,461,872 2,044,185 ī 270,383 1,461,872 1,732,255 ī ī ī Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries* Amount owing to subsidiaries Other payables and accruals

Non-derivative Financial Liabilities

* The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of reporting period. Financial guarantees have not been recognised since their fair value on initial recognition were not materials.

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

38. FINANCIAL INSTRUMENTS (CONT'D)

38.2 CAPITAL RISK 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 and of the Company consist of total borrowings and total equity, comprising issued share capital, reserves and non-controlling interests, as follows:-

	Th	e Group
	2021	2020
	RM	RM
Bank overdrafts	522,294	732,662
Borrowings	25,921,984	6,393,854
Lease liabilities	4,061,487	2,007,946
Total debt	30,505,765	9,134,462
Total equity	63,046,665	58,989,951
Gearing ratio	48%	15%

The Group is not restricted to externally imposed capital requirements except that the Company and certain subsidiaries of the Company are required to maintain certain gearing ratio of total borrowings to tangible net worth, as defined in the facilities agreements for the term loans. Tangible net worth is calculated as total equity less intangibles such as goodwill. The gearing ratio is as above and the Company has complied with these requirements during the financial year ended 31 March 2021 and 31 March 2020.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

38. FINANCIAL INSTRUMENTS (CONT'D)

38.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	Tł	ne Group	The	Company
	2021	2020	2021	2020
	RM	RM	RM	RM
Financial Assets				
Mandatorily at Fair Value Through Profit of Loss				
Short-term investment	2,933,669	808,305	-	-
Amortised Cost				
Trade receivables	10,975,355	10,484,182	-	-
Other receivables	353,838	206,252	-	-
Amount owing by subsidiaries	-	-	4,630,469	4,257,217
Amount owing by related parties	46,219	175	-	-
Fixed deposits with licensed banks	189,225	192,379	-	-
Cash and bank balances	7,823,476	6,615,311	1,295,974	104,050
	19,388,113	17,498,299	5,926,443	4,361,267
Financial Liabilities				
Amortised Cost				
Trade payables	5,892,959	5,705,766	-	-
Other payables and accruals	4,335,559	5,054,248	91,887	270,383
Amount owing to subsidiaries	-	-	1,236,441	1,461,872
Amount owing to related parties	150,885	234,030	-	-
Bank overdrafts	522,294	732,662	-	-
Borrowings	25,921,984	6,393,854	-	-
Lease liabilities	4,061,487	2,007,946	-	-
	40,885,168	20,128,506	1,328,328	1,732,255

38.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The	Group	The C	Company
	2021	2020	2021	2020
	RM	RM	RM	RM
Financial Assets				
Mandatorily at Fair Value Through Profit of Loss				
Net gain recognised in profit or loss	25,364	10,966	-	-
Amortised Cost				
Net (loss)/gain recognised in profit or loss	(158,204)	466,547	20,039	123,963
Financial Liabilities Amortised Cost				
Net gain/(loss) recognised in profit or loss	484,739	(612,071)	-	(4,523)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximate their carrying amounts due to the relatively short-term maturity of the financial instruments.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at of

the reporting period:-								
	Fair Value o Carr	Value of Financial Instruments Carried at Fair Value	ruments e	Fair Value c not Ca	Fair Value of Financial Instruments not Carried at Fair Value	itruments alue	Total	Carrving
The Group	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	Fair Value RM	Amount RM
2021 Financial Assets								
Short-term investment	I	2,933,669	I	·	I	I	2,933,669	2,933,669
Financial Liabilities								
Term loans	ſ	ı	T	'	23,857,984	1	23,857,984	23,857,984
2020								
Financial Assets		808 305					808 305	808 305
		000					200	000
Financial Liabilities								
Term loans	1	I		ı	4,533,854		4,533,854	4,533,854

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

38. FINANCIAL INSTRUMENTS (CONT'D)

38.5 FAIR VALUE INFORMATION (CONT'D)

Fair Value of Financial Instruments Carried at Fair Value

The fair values above have been determined using the following basis:

The fair values of short-term investment (money market fund) are determined by reference to statements provided by financial institution, with which the investments were entered into.

There were no transfer between level 1 and level 2 during the financial year.

Fair Value of Financial Instruments Not Carried at Fair Value

The fair value of the Group's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 29 October 2019, a wholly-owned subsidiary of the Company, Oriental Fastech Manufacturing Sdn. Bhd. accepted the letter of offer to acquire a piece of leasehold land together with the building erected thereon known as Plot 300 at Penang Science Park for a total consideration of RM 24,029,874. The acquisition was completed on 4 February 2021.
- (b) On 11 March 2020, the World Health Organisation declared the Coronavirus Disease ("Covid-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the Covid-19 outbreak in Malaysia. The Covid-19 outbreak also resulted in travel restriction, lockdown, and other precautionary measures imposed in various countries. The emergence of the Covid-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Group operates.

However, the Covid-19 global pandemic has not resulted in any material impairment to the Group's assets (including inventories and receivables) as of 31 March 2021 or affected the Group's ability to continue its business as a going-concern. There was no material impact on the Group's operations and financial performance for the financial year ended 31 March 2021.

40. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

Since the end of the reporting period, the Movement Control Order went through various phases throughout the country where restrictions were either relaxed and/or tightened for certain states, districts and/or location based on the number of daily and active Covid-19 cases in the respective areas.

The Group will continuously monitor the development of Covid-19 pandemic and the disruption to its business activities caused by the prolonged effect of such pandemic and/or any subsequent MCO or similar measure imposed by Malaysia Government and evaluate their impact on the financial position, cash flows and operating results of the Group.

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SHARE BUY-BACK STATEMENT

1. DISCLAIMER STATEMENT

This Statement is important and if you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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

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

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

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

3. RETAINED PROFITS

Based on the audited financial statements of YBS as at 31 March 2021, the retained profits of the Company stood at RM12,763,542.

4. SOURCE OF FUNDING

The Proposed Renewal of Share Buy-back Mandate will be funded by internally generated funds and/or external borrowings. The amount 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 Renewal of Share Buy-back Mandate will consequentially reduce the resources available to YBS for its operations by a corresponding amount for the shares bought back.

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

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

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders of YBS as at 6 August 2021, the effects of the Proposed Renewal of Share Buy-back Mandate on the shareholdings of the Directors and Substantial Shareholders of YBS are as follows:

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

Directors' Shareholdings

			osed Renewa ack Mandate	lof			sed Renewal ack Mandate	of
	Direc	ot	Indire	ect	Direc	ot	Indire	ct
		%		%		%		%
	No. of	of share	No. of		No. of	of share	No. of	of share
Directors	shares	capital (a)	shares	capital (a)	shares	capital (b)	shares	capital (b)
YBhg Dato' (Dr) Pahamin Ab Rajab	11,070,000	4.49	-	-	11,070,000	4.99	-	-
Yong Chan Cheah@	13,447,579	5.46	45,600,000^	18.50	13,447,579	6.06	45,600,000^	20.56
Yong Swee Chuan [@]	13,447,578	5.46	45,600,000^	18.50	13,447,578	6.06	45,600,000^	20.56
Low Hee Chung	-	-	-	-	-	-	-	-
Gor Siew Yeng	76,000	0.03	-	-	76,000	0.03	-	-
Dato' Jimmy Ong Chin Keng	-	-	-	-	-	-	-	-

Substantial Shareholders' Shareholdings

			osed Renewal back Mandate	of			sed Renewal ack Mandate	of
	Dire	ct	Indire	ct	Dire	ct	Indire	ect
		%		%		%		%
	No. of	of share	No. of	of share	No. of	of share	No. of	of share
Substantial Shareholders	shares	capital (a)	shares	capital (a)	shares	capital (b)	shares	capital (b)
Indowang Sdn. Bhd.	45,600,000	18.50	-	-	45,600,000	20.56	-	-
Musharaka Tech Venture Sdn. Bhd.	21,120,200	8.57	-	-	21,120,200	9.52	-	-

Person Connected to Directors and/or Substantial Shareholders' Shareholdings

			osed Renewal back Mandate	of			sed Renewal ack Mandate	of
	Dire	ct	Indire	ct	Dire	ct	Indire	ect
		%		%		%		%
	No. of	of share	No. of	of share	No. of	of share	No. of	of share
Substantial Shareholders	shares	capital (a)	shares	capital (a)	shares	capital (b)	shares	capital (b)
Yong Swee Fung (1)	40,000	0.02	-	-	40,000	0.02	-	-
Fong Eva (2)	10,000	negligible	-	-	10,000	negligible	-	-

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SHARE BUY-BACK STATEMENT (CONT'D)

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

Maximum Scenario: Assuming full issuance and exercise of the 73,930,200 ESOS Options (being 30% of the total number of issued shares of YBS) and YBS implements the Proposed Renewal of Share Buy-back Mandate in full.

Directors' Shareholdings

			osed Renewa ack Mandate	lof			sed Renewal ack Mandate	of
	Direc	ot	Indire	ect	Dire	ct	Indirect	
		%		%		% of		%
	No. of	of share	No. of	of share	No. of	share	No. of	of share
Directors	shares	capital (c)	shares	capital (c)	shares	capital (d)	shares	capital (d)
YBhg Dato' (Dr) Pahamin Ab Rajab	16,070,000	5.09	-	-	16,070,000	5.65	-	-
Yong Chan Cheah@	20,184,779	6.39	45,600,000^	14.43	20,184,779	7.10	45,600,000^	16.04
Yong Swee Chuan [@]	20,184,778	6.39	45,600,000^	14.43	20,184,778	7.10	45,600,000^	16.04
Low Hee Chung	2,000,000	0.63	-	-	2,000,000	0.70	-	-
Gor Siew Yeng	1,500,000	0.47	-	-	1,500,000	0.53	-	-
Dato' Jimmy Ong Chin Keng	-	-	-	-	-	-	-	-

Substantial Shareholders' Shareholdings

	Before the Proposed Renewal of Share Buy-back Mandate			After the Proposed Renewal of Share Buy-back Mandate			of	
	Direct Indirect			Dire	ct	Indire	ct	
		%		%		% of		% of
	No. of	of share	No. of	of share	No. of	share	No. of	share
Substantial Shareholders	shares	capital (c)	shares	capital (c)	shares	capital (d)	shares	capital (d)
Indowang Sdn. Bhd.	45,600,000	14.43	-	-	45,600,000	16.04	-	-
Musharaka Tech Venture Sdn. Bhd.	21,120,200	6.69	-	-	21,120,200	7.43	-	-

Person Connected to Directors and/or Substantial Shareholders' Shareholdings

	Before the Proposed Renewal of Share Buy-back Mandate			After the Proposed Renewal of Share Buy-back Mandate				
	Direct Indirect			Dire	ct	Indirect		
		%		%		% of		% of
	No. of	of share	No. of	of share	No. of	share	No. of	share
Substantial Shareholders	shares	capital (c)	shares	capital (c)	shares	capital (d)	shares	capital (d)
Yong Swee Fung (1)	500,000	0.16	-	-	500,000	0.18	-	-
Fong Eva (2)	10,000	negligible	-	-	10,000	negligible	-	-

Notes:

Based on existing total number of issued shares of 246,434,185 Ordinary Shares (Treasury Shares is nil). (a)

Based on the total number of issued shares of 221,790,767 Ordinary Shares without exercising of ESOS Options (b) and Proposed Renewal of Share Buy-back Mandate is carried out in full and all the shares purchased are held as treasury shares.

- Based on the total number of issued shares of 315,925,185 Ordinary Shares, with the assumption that the Directors/ (c) Substantial Shareholders/ Persons Connected to them (whose also an eligible person to the Company's ESOS) fully exercised their ESOS Options:
 - YBhg Dato' (Dr) Pahamin Ab Rajab 5,000,000 ESOS Options
 - Yong Chan Cheah - 7,259,800 ESOS Options - 7,259,800 ESOS Options
 - Yong Swee Chuan
 - Low Hee Chung

- 2,000,000 ESOS Options - 1,500,000 ESOS Options
- Gor Siew Yeng Yona Swee Funa
- 500,000 ESOS Options
- Based on total number of issued shares of 284,332,667 Ordinary Shares, after the full exercised of ESOS Options (d) and the Proposed Renewal of Share Buy-back Mandate is carried out in full and all the shares purchased are held as treasury shares.
- Also substantial shareholder of the Company. @
- (1) Person Connected to Yong Chan Cheah and Yong Swee Chuan
- (2) Person Connected to Gor Siew Yeng

Deemed Interested by virtue of his substantial shareholdings in Indowang Sdn. Bhd.

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

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

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

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

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

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

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

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

The material financial effects of the Proposed Renewal of Share Buy-back Mandate on the share capital, consolidated Net Tangible Assets ("NTA"), working capital, earnings per share, dividends and the substantial shareholders' shareholdings in YBS (assuming that the Company purchases up to a maximum of 31,592,518 YBS Shares representing approximately ten percent (10%) of the enlarged total number of issued shares with the full exercised of ESOS) are set out below:

7.1 Share Capital

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

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

	No. of shares
As at 6 August 2021	246,434,185
Proposed Renewal of Share Buy-back Mandate (assuming all YBS Shares purchased are held as treasury shares)	(24,643,418)
Total number of issued shares after the Proposed Renewal of Share Buy-back Mandate	221,790,767

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

7.1 Share Capital (Cont'd)

Maximum Scenario: Assuming full issuance and exercise of the 73,930,200 ESOS Options (being 30% of the total number of issued shares of YBS) and YBS implements the Proposed Renewal of Share Buyback Mandate in full.

	No. of shares
As at 6 August 2021	246,434,185
Balance Shares to be issued pursuant to the ESOS (assuming full exercise of the ESOS Option (being 30% of the total number of issued shares of YBS))	69,491,000
Enlarged total number of issued shares	315,925,185
Proposed Renewal of Share Buy-back Mandate (assuming all YBS Shares purchased are held as treasury shares)	(31,592,518)
Resultant total number of issued shares	284,332,667

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

7.2 NTA

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

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

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

7.3 Working Capital

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

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

7.4 Earnings per Share

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

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

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

7.5 Dividends

Assuming the Proposed Renewal of Share Buy-back Mandate is implemented in full, dividends would be paid on the remaining total number of issued shares of YBS (excluding the Shares already purchased). The Proposed Renewal of Share Buy-back Mandate may have an impact on the Company's dividend policy for the financial year ending 31 March 2022 as it would reduce the cash available which may otherwise be used for dividend payments. Nonetheless, the treasury shares purchased may be distributed as dividends to shareholders of the Company, if the Company so decides.

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

7.6 Substantial Shareholders

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

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

Based on the Company's total number of issued Shares and the current shareholdings of the substantial shareholders and/ or parties acting in concert as at 6 August 2021, 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 implementation of Proposed Renewal of Share Buy-back Mandate in full.

YBS has no intention for the Proposed Renewal of Share Buy-back Mandate to trigger the obligation to undertake a mandatory general offer under the Rules by any of its substantial shareholders and/or parties acting in concert with them. The Board will ensure that only such number of YBS Shares are purchased, retained as treasury shares or cancelled in the manner that the Rules will not be triggered.

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

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

The details of the shares resold by the Company in the preceding twelve (12) months were as follows:

			Unit Price	Consideration		
Transaction date	Number of Shares (Units)	Lowest RM	Highest RM	Average RM	received* RM	
27 August 2020	360,000	0.220	0.225	0.223	79,227.61	
27 January 2021	1,058,800	0.250	0.260	0.255	270,706.75	
9 February 2021	1,010,000	0.335	0.340	0.338	338,677.93	

* Including brokerage, clearing house fee and stamp duty (where applicable).

As at 6 August 2021, none of the shares were retained as treasury shares.

The Company had not purchased, transferred or cancelled any shares in the preceding twelve (12) months.

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

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

- to cancel the shares so purchased; or
- to retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of the Bursa Securities or subsequently cancelled; or
- retain part of the shares so purchased as treasury shares and cancel the remainder.

11. HISTORICAL SHARE PRICES

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

	High RM	Low RM
2020		
August	0.250	0.135
September	0.225	0.150
October	0.185	0.140
November	0.195	0.145
December	0.205	0.155
2021		
January	0.270	0.155
February	0.470	0.215
March	0.420	0.280
April	0.460	0.355
Мау	0.370	0.265
June	0.390	0.300
July	0.555	0.305

Last transacted market price as at 6 August 2021 (being the latest practical date prior to the printing of this Statement) was RM0.470.

(Source: Bloomberg)

12. PUBLIC SHAREHOLDING SPREAD

As at 6 August 2021, the public shareholding spread of the Company was approximately 61.49%. In this regard, the Board undertakes to purchase Shares only to the extent that the public shareholding spread of YBS shall not fall below 25% of the total number of issued shares of the Company (excluding treasury shares) at all times pursuant to the Proposed Renewal of Share Buy-back Mandate, in accordance with Rule 8.02(1) and 12.14 of the ACE Market Listing Requirements of Bursa Securities.

13. DIRECTORS' STATEMENT

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

14. DIRECTORS' RECOMMENDATION

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

15. **RESPONSIBILITY STATEMENT**

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

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Head Office of the Company at K27 Jalan Perindustrian, Kawasan Perindustrian Tanjung Agas, 84000 Muar, Johor 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:

- I. Company Constitution of YBS; and
- II. The audited consolidated financial statements of YBS for the past two (2) financial year ended 31 March 2020 and 31 March 2021 respectively.

17. FURTHER INFORMATION

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

LIST OF PROPERTIES

AS AT 31 MARCH 2021

Location	Description	Area (sq.m.)	Existing Use	Tenure/ Age of Building	Carrying Amount as at 31.03.2021 RM'000	Date of Acquisition/ Revaluation
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 31.05.2035 / 27 years	6,184	11.10.2006
 H.S.(D) 55914, P.T. 907, Mukim 13, Daerah Seberang Perai Tengah, Pulau Pinang. Bearing postal address: Plot 171, Mukim 13, Jalan Perindustrian Bukit Minyak, Kawasan Perindustrian Bukit Minyak, 14000 Bukit Mertajam, Seberang Perai Tengah, Pulau Pinang. 	Industrial land erected with factory cum office buildings and ancillary structures	4,063	Factory/ Office	Leasehold for 60 years expiring on 23.04.2068 / 12 years	4,038	18.07.2011
Lot No. 4787 held under GRN 150425, Mukim 13, Seberang Perai Tengah, Pulau Pinang. Bearing postal address: 17, Lorong Seri Juru 1, Taman Seri Juru, 14100 Simpang Ampat, Pulau Pinang.	Double storey semi-detached house	232	Employee hostel	Freehold / 17 years	259	16.06.2010
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 / 17 years	266	30.11.2011
H.S.(D) 35594, Lot 7132, Mukim 14, Seberang Perai Tengah, Pulau Pinang. Bearing postal address: 2026, Jalan Bukit Minyak, Kawasan Industri Ringan Asas Jaya, 14000 Bukit Mertajam, Pulau Pinang.	Three storey light industry building	130	Factory	Freehold / 9 years	304	24.05.2011

LIST OF PROPERTIES (CONT'D)

AS AT 31 MARCH 2021

Location	Description	Area (sq.m.)	Existing Use	Tenure/ Age of Building	Carrying Amount as at 31.03.2021 RM'000	Date of Acquisition/ Revaluation
 H.S.(D) 35593, Lot 7131, Mukim 14, Seberang Perai Tengah, Pulau Pinang. Bearing postal address: 2027, Jalan Bukit Minyak, Kawasan Industri Ringan Asas Jaya, 14000 Bukit Mertajam, Pulau Pinang. 	Three storey light industry building	130	Factory	Freehold / 9 years	304	27.05.2011
H.S.(D) 55923, Lot No. PT 830, Mukim 13, District of Seberang Perai Tengah, Pulau Pinang. Bearing postal address: 978, Jalan Perindustrian Bukit Minyak 20, Penang Science Park, 14100 Simpang Ampat, Pulau Pinang.	Industrial land erected with factory cum office buildings and ancillary structures	40,604	Factory	Leasehold for 60 years expiring on 19.05.2068 / 14 years	25,186	02.10.2020

ANALYSIS OF SHAREHOLDINGS

AS AT 6 AUGUST 2021

Total Number of Issued Shares Class of Shares		246,434,185 Ordinary shares
Voting Right		One vote per ordinary share
Number of Shareholders	:	4,419

DISTRIBUTION OF SHAREHOLDINGS

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Share Capital
Less than 100 shares	27	0.61	1,319	0.00
100 to 1,000 shares	388	8.78	224,319	0.09
1,001 to 10,000 shares	2,230	50.46	13,475,190	5.47
10,001 to 100,000 shares	1557	35.24	53,510,300	21.71
100,001 to 12,321,709 shares	213	4.82	85,527,700	34.71
12,321,710 shares and above	4	0.09	93,695,357	38.02
Total	4,419	100.00	246,434,185	100.00

LIST OF TOP THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS AT 6 AUGUST 2021

No.	Name of Shareholders	No. of Shares Held	%
1.	Indowang Sdn. Bhd.	45,600,000	18.50
2.	Musharaka Tech Venture Sdn. Bhd.	21,200,200	8.60
3.	Yong Chan Cheah	13,447,579	5.46
4.	Yong Swee Chuan	13,447,578	5.46
5.	YBhg Dato' (Dr) Pahamin Ab Rajab	11,070,000	4.49
6.	Eastbay Capital Sdn. Bhd.	4,723,700	1,92
7.	Lee Kin Moi	3,135,000	1.27
8.	Jason Ching Chou-Yi	2,300,000	0.93
9.	Ulaganathan A/L Muthu Pandithan	2,000,000	0.81
10.	Leong Moon Sang	1,965,000	0.80
11.	Gan Joe Yee	1,600,000	0.65
12.	HLB Nominees (Tempatan) Sdn Bhd Qualifier: Pledged securities account for Lee Chiah Cheang	1,564,000	0.63
13	RHB Capital Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged securities account for Cheong Weng Teong (CEB)	1,324,900	0.54
14.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Qualifier: Pledged securities account for Ng Hwei Leng (MY3019)	1,320,000	0.54
15.	Kuak Juan Chee	1,298,000	0.53
16.	RHB Capital Nominees (Tempatan) Sdn Bhd Qualifier: Pledged securities account for Soo Siew Seng (CEB)	1,200,000	0.49
17.	CIMSEC Nominees (Tempatan) Sdn Bhd Qualifier: CIMB for Song Teik Sun (PB)	1,200,000	0.49
18.	Hii Yu Guan	1,000,000	0.41

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 6 AUGUST 2021

LIST OF TOP THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS AT 6 AUGUST 2021 (CONT'D)

No.	Name of Shareholders	No. of Shares Held	%
19.	Cartaban Nominees (Tempatan) Sdn Bhd Qualifier: RHB Trustees Berhad for SP Tactical Investment Fund	1,000,000	0.41
20.	Ng Kang Yee	1,000,000	0.41
21.	Universal Trustee (Malaysia) Berhad Qualifier: TA Dynamic Absolute Mandate	1,000,000	0.41
22.	Ng Hwei Leng	960,000	0.39
23.	Yii Mee Chuo	802,000	0.33
24.	Alliancegroup Nominees (Tempatan) Sdn Bhd Qualifier: Pledged securities account for Kong Kok Choy (8092812)	800,000	0.32
25.	Ang Bon Beng	753,500	0.31
26.	Chang Meng Chien	752,000	0.31
27.	Public Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged securities account for Gary Lee Seaton (E-JBU)	750,000	0.30
28.	Public Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged securities account for Ser Toh Chon Chien (E-BPT)	734,100	0.30
29.	Kenanga Nominees (Tempatan) Sdn Bhd Qualifier: Rakuten Trade Sdn Bhd for Wong Kia Chin	681,500	0.28
30.	CIMSEC Nominees (Tempatan) Sdn Bhd Qualifier: Pledged securities account for Ser Toh Chon Chien (Muar-CL)	600,000	0.24

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 6 AUGUST 2021

		Direct		Indirect	
No.	Name	No. of Shares Held	%	No. of Shares Held	%
1.	Indowang Sdn. Bhd.	45,600,000	18.50	-	-
2.	Musharaka Tech Venture Sdn. Bhd.	21,120,200	8.57	-	-
3.	Yong Chan Cheah	13,447,579	5.46	45,600,000^	18.50
4.	Yong Swee Chuan	13,447,578	5.46	45,600,000^	18.50

[^] Deemed interested by virtue of his substantial shareholdings in Indowang Sdn. Bhd.

DIRECTORS' SHAREHOLDINGS AS AT 6 AUGUST 2021

No.	Name	Direct No. of Shares Held	%	Indirect No. of Shares Held	%
1.	YBhg Dato' (Dr) Pahamin Ab Rajab	11,070,000	4.49	-	-
2.	Yong Chan Cheah	13,447,579	5.46	45,600,000^	18.50
3.	Yong Swee Chuan	13,447,578	5.46	45,600,000^	18.50
4.	Low Hee Chung	-	-	-	-
5.	Gor Siew Yeng	76,000	0.03	-	-
6.	Dato' Jimmy Ong Chin Keng	-	-	-	-

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting of the Company will be held on a fully virtual basis through remote participation and electronic voting via online meeting platform: **GoToWebinar by megacorp.com.my** provided by Mega Corporate Services Sdn. Bhd. on Thursday, 23 September 2021 at 11.00 a.m.

AGENDA

1.	To receive the Audited Financial Statements for the financial year ended 31 March 2021 together with the Reports of the Directors and Auditors thereon.	(Please refer to Note A)
2.	To approve the payment of Directors' Fees of up to RM169,000/- for the period from 1 October 2021 until the next Annual General Meeting.	(Ordinary Resolution 1)
3.	To approve the Directors' benefits (excluding Directors' Fee) payable of up to RM29,800/- for the period from 1 October 2021 until the next Annual General Meeting of the Company.	(Ordinary Resolution 2)
4.	To re-elect the following Directors retiring pursuant to the respective provision of the Company's Constitution, and who being eligible, offered themselves for re-election:-	
	 a) Mr. Yong Chan Cheah (Paragraph 102(1)); b) Mr. Low Hee Chung (Paragraph 102(1)); c) Dato' Jimmy Ong Chin Keng (Paragraph 107(2)) 	(Ordinary Resolution 3) (Ordinary Resolution 4) (Ordinary Resolution 5)
5.	To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	(Ordinary Resolution 6)

AS SPECIAL BUSINESS

6. To consider and, if thought fit, to pass the following resolutions:

Ordinary Resolutions

- a) <u>Continue in Office as Independent Non-Executive Director</u>
 "That subject to the passing of Resolution 4, authority be and is hereby given to Mr. Low Hee Chung who has served as an Independent Non-Executive Director of the Company to continue to serve as Independent Non-Executive Director of the Company upon expiry of his tenure of nine years as Independent Non-Executive Director on 31 July 2022 in accordance with the Malaysian Code on Corporate Governance."
- b) Authority to Issue Shares

"That pursuant to Companies Act, 2016 ("the Act") and approvals from the Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant governmental/regulatory authorities where such authority shall be necessary, the Board of Directors be authorised to issue and allot shares in the Company from time to time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Board of Directors may, in its absolute discretion, deem fit provided that the aggregate number of shares to be issued shall not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being, and that the Board of Directors be empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Securities."

(Ordinary Resolution 8)

(Ordinary Resolution 7)

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

AS SPECIAL BUSINESS (CONT'D)

- 6. To consider and, if thought fit, to pass the following resolutions: (Cont'd)
 - c) Renewal of Authority to purchase its Own Shares

"THAT subject always to the Act, 2016, the Constitution of the Company, the ACE Market Listing Requirements of Bursa Securities and all other applicable laws, regulations and guidelines for the time in force, the Directors of the Company be and are hereby given full authority, to seek shareholders' approval for the renewal of authority for the Company to allocate an amount not exceeding the total available retained profits of the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and in the best interest of the Company provided that the aggregate number of shares to be purchased and/or held pursuant to this resolution does not exceed ten percent (10%) of the total issued shares of the Company at any point in time;

AND THAT upon the purchase by the Company of its own shares, the Directors are authorised to retain such shares so purchased as treasury shares or cancel the shares so purchased or retain part of the shares so purchased as treasury shares and cancel the remainder. The Directors are further authorised to distribute the treasury shares as dividends to the shareholders of the Company and/or resell the shares on Bursa Securities in accordance with the relevant rules of Bursa Securities or subsequently cancel the treasury shares or any combination thereof;

AND THAT such approval and authorisation shall only continue to be in force until:

- the conclusion of the first Annual General Meeting of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by 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 Annual General Meeting after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first;

AND FURTHER THAT the Directors of the Company be authorised to do all such acts and things (including, without limitation executing all such documents as may be required) as they may consider expedient or necessary to give full effect to this mandate."

7. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016.

BY ORDER OF THE BOARD

How Wee Ling (MAICSA 7033850) / SSM PC No. 202008000869 Ooi Ean Hoon (MAICSA 7057078) /SSM PC No. 202008000734 Secretaries

Penang Date: 26 August 2021 (Ordinary Resolution 9)

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes:

- A. This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require a formal approval of the shareholders and hence, is not put forward for voting.
- B. For the purpose of determining a member who shall be entitled to attend and vote at this Ninteenth Annual General Meeting, the Company shall be requesting the Record of Depositors as at 15 September 2021. Only a depositor whose name appears on the Record of Depositors as at 15 September 2021 shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.
- C. All meeting participants are to participate in the 19th AGM on a fully virtual basis. Please refer to the Administrative Guide for the 19th AGM in order register, participate and vote remotely via the online meeting platform: GoToWebinar by megacorp.com.my

Proxy

- 1. A member entitled to attend and vote at the Meeting (except an Exempt Authorised Nominee) is entitled to appoint up to two (2) proxies to attend and vote on a show of hands or on a poll in his stead. A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
- 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 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.
- 3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
- 4. The instrument appointing a proxy shall be deposited at the Poll Administrator's office at Mega Corporate Services Sdn. Bhd. at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or emailed to <u>AGM-support.YBS@megacorp.com.my</u>, not less than twenty-four (24) hours before the time for holding the Meeting or any adjournments thereof i.e. by 11.00 a.m., Wednesday, 22 September 2021. Alternatively, the proxy appointment may also be registered online at <u>https://vpas.megacorp.com.my/KXTxRC</u>, or scan the QR code at the top right corner of Administrative Guide for the 19th AGM. Please refer to the Administrative Guide for the 19th AGM for further information.

Explanation Notes on Special Business:

5. Continue in Office as Independent Non-Executive Director

Mr. Low Hee Chung is an Independent Non-Executive Director of the Company who has served on the Board since 31 July 2013. In accordance with the Malaysian Code on Corporate Governance (Code), the tenure of an independent director should not exceed a cumulative term of nine years. His term of office as Independent Non-Executive Director will be 9 years cumulatively on 31 July 2022. It is thus appropriate for the Company to recommend such retention upon expiry of his tenure of nine years as Independent Non-Executive Director at this forthcoming AGM. After having assessed the independence of Mr. Low Hee Chung and also the assessment by the Nomination Committee, regards him to be independent based amongst others, he has remained objective and independent in exercising his judgment when a matter is put before him for decision, he also has the experience to make informed decision and participate actively and contribute positively during deliberations or discussions at Board Meetings. To that, the Board with the recommendation of the Nomination Committee, recommend Mr. Low Hee Chung to continue to serve as Independent Non-Executive Director of the Company.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

6. Authority to Issue Shares

The proposed Ordinary Resolution No. 8 [Item 6(b)], if passed, will grant a renewed general mandate (Mandate 2021) and empower the Directors of the Company to issue and allot shares up to an amount not exceeding in total ten percent (10%) of the issued share capital of the Company from time to time and for such purposes as the Directors consider would be in the interest of the Company. In order to avoid any delay and costs involved in convening a general meeting, it is thus appropriate to seek shareholders' approval. This authority will, unless revoked or varied by the Company in general meeting, expire at the next Annual General Meeting of the Company.

The Mandate 2021 will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limited for further placing of shares, for the purpose of funding future investment(s), acquisition(s) and/or working capital.

As at the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the Eighteenth Annual General Meeting. The Company did not issue any share pursuant to the mandate granted because there was no investment, acquisition or working capital that required fund raising activity.

7. Renewal of Authority to purchase its Own Shares

The proposed Ordinary Resolution No. 9 [Item 6(c)], if passed, will give the Company the authority to purchase its own ordinary shares of up to ten percent (10%) of the total number of issued shares of the Company for the time being. This authority, unless renewed or revoked or varied by the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting after that date is required by law to be held, whichever occurs first. For further information on the Renewal of Authority to purchase its Own Shares, please refer to the Share Buy-back Statement set out in the Annual Report 2021.

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STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

PURSUANT TO RULE 8.29(2) OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

Details of individuals who are standing for election as directors (excluding directors standing for a re-election)

No individual is seeking election as a director at the Nineteenth Annual General Meeting of the Company.

PROXY FORM



YBS INTERNATIONAL BERHAD

Registration No: 200201014380 (582043-K)

No. of ordinary shares held	CDS Account No.	
Contact No.	Email Address	

of

being a *Member/Members of YBS INTERNATIONAL BERHAD hereby appoint:- (Please tick ($\sqrt{}$) whichever is applicable)

The following proxy(ies):-| |

Name	NRIC / Passport No.	Address	Proportions of my/our holdings to be represented (%)		
(1)					
AND * / OR FAILING HIM*,	AND * / OR FAILING HIM*,				
(2)					
	100.0%				

AND * / OR FAILING HIM*,

Chairman of the Meeting

as *my/our proxy to vote for *me/us and on *my/our behalf at the 19th Annual General Meeting of the Company to be held will be held on a fully virtual basis through remote participation and electronic voting via online meeting platform: GoToWebinar by megacorp.com.my provided by Mega Corporate Services Sdn. Bhd. on Thursday, 23 September 2021 at 11.00 a.m. and at any adjournment thereof as indicated below:-

Strike out whichever is inapplicable

I/We hereby indicate with an "X" in the spaces provided how I/we wish my/our votes to be cast. (Unless otherwise instructed, the proxy may vote, as he thinks fit)

Ordinary Resolutions		For	Against
1.	To approve the payment of Directors' Fees of up to RM169,000/- for the period from 1 October 2021 until the next Annual General Meeting.		
2.	To approve the Directors' benefits (excluding Directors' Fee) payable of up to RM29,800 for the period from 1 October 2021 until the next Annual General Meeting of the Company.		
	To re-elect the following Directors retiring pursuant to the respective provision of the Company's Constitution, and who being eligible, offered themselves for re-election:		
3.	Mr. Yong Chan Cheah (Paragraph 102(1))		
4.	Mr. Low Hee Chung (Paragraph 102(1))		
5.	Dato' Jimmy Ong Chin Keng (Paragraph 107(2))		
6.	To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company for the ensuing financial year and to authorise the Directors to fix their remuneration.		
	Special Business		
	Ordinary Resolutions		
7.	To authorise Mr. Low Hee Chung to continue to serve as Independent Non-Executive Director of the Company.		
8.	Authority to issue shares pursuant to the Companies Act, 2016.		
9.	To approve the proposed renewal of authority to purchase up to ten percent (10%) of its own shares in the total number of issued shares of the Company.		

Signature of Member:

Notes

For the purpose of determining a member who shall be entitled to attend and vote at this Ninteenth Annual General Meeting, the Company shall be requesting the Record of Α. Depositors as at 15 September 2021. Only a depositor whose name appears on the Record of Depositors as at 15 September 2021 shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.

All meeting participants are to participate in the 19th AGM on a fully virtual basis. Please refer to the Administrative Guide for the 19th AGM in order register, participate and vote B remotely via the online meeting platform: GoToWebinar by megacorp.com.my

Proxv

1. A member entitled to attend and vote at the Meeting (except an Exempt Authorised Nominee) is entitled to appoint up to two (2) proxies to attend and vote on a show of hands or on a poll in his stead. A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.

Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus 2. 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.

The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its 3 common seal or under the hand of an officer or attorney duly authorised.

The instrument appointing a proxy shall be deposited at the Poll Administrator's office at Mega Corporate Services Sdn. Bhd. at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or emailed to AGM-support YBS@megacorp.com.my, not less than twenty four (24) hours before the time for holding the Meeting or any adjournments thereof i.e. by 11.00 a.m., Wednesday, 22 September 2021. Alternatively, the proxy appointment may also be registered online at https://vpas.megacorp.com.my/ KXTxRC, or scan the QR code at the top right corner of Administrative Guide for the 19th AGM. Please refer to the Administrative Guide for the 19th AGM for further information. Then fold here

Mega Corporate Services Sdn. Bhd.

Affix Stamp

Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur

1st fold here

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

K27 Jalan Perindustrian Kawasan Perindustrian Tanjung Agas 84000 Muar, Johor Darul Takzim

Phone : 06-953 6088 Fax : 06-953 6986/953 2691

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